FINANCIAL TIMES
No. 25,536 Friday August 20 1971 ** 6p

No exemption for RB-211

RB-211 ENGINES will not be exempted from the new U.S. import surcharge, said Treasury Secretary John Connally. It would have been difficult to exempt the engines without also exempting the foreign parts which form 15 per cent. of the cost of the DC-10, the TriStar's rival. The extra cost now facing Lockheed may be as much as $70m. and will probably have to be passed on to the airlines.

BANKS are to be allowed to lend foreign currencies to British companies to cover outstanding currency liabilities. The move is, in effect, a temporary relaxation of the short-term Euro-currency borrowing curbs to help importers during the market closure.

DOLLAR in New York was stronger against a number of Continental currencies but weaker against the Swiss franc and sterling.

GOLD closed in London at $43.25-43.45, against $43.25-43.50 on Wednesday.

BALTIC DRY-CARGO chartering has been almost halted because of uncertainty about the dollar's future rate.

JAPANESE officials intervened in the Tokyo exchange market to stop speculation by some major banks.

CANADIAN delegation arrived in Washington, but its request for exemption from the import surcharge seemed likely to be rejected.

EAST EUROPEANS were expressing concern and have begun to question plans for a transferable rouble.

AMERICAN TOURISTS had been charged exorbitant exchange rates by some hotels and shops during the dollar crisis, said the British Tourist Authority. It has launched an advertising campaign appealing for a fair deal.

More details: Pages 5, 10, Back Page

News Summary

GENERAL

Heath slams Lynch

Mr. Heath last night launched a blistering attack on Irish Premier Lynch who earlier yesterday condemned British attempts to find "military solutions" to the Ulster problem and who said he would actively support" civil disobedience there if such attempts continued.

Mr. Heath's reply to Mr. Lynch, whose own remarks had been contained in a telegram to Downing Street, used the strongest language and brings into the open a rift between Westminster and Dublin which will be difficult to heal.

Mr. Heath told Mr. Lynch his telegram was "unjustified" and unacceptable in its attempt to interfere in the affairs of the U.K. It could in "no way contribute to the solutions of the problem."

Earlier, Ulster Premier Faulkner flew back to Belfast after a day of talks with Mr. Heath and senior Ministers at Chequers expected to result in more financial aid for Ulster but no early change in the political situation.

Meanwhile, in Northern Ireland itself, 30 leading Catholics quit their public appointments in Londonderry in protest against internment.

In Belfast, masked gunmen held up the staff of Unionist Party headquarters while they planted a bomb there, but it was defused by the Army.

'We erred'

Following criticism by Defence Secretary Carrington, the BBC admitted it made an error of judgment in reporting a recent incident in Ulster, but it rejected other criticisms levelled by South Dorset MP Evelyn King. Page 12

Malta talks to-day

Defence Secretary Carrington arrived in Malta for talks to-day with Premier Mintoff aimed at hammering out the main points of an acceptable financial pact by the week-end. Back Page

Murder warning

Birmingham's police chief appealed to parents not to let children out of their sight until after they had found the murderer of Marion McHone, 5, found battered to death near her home.

Wilson on BBC

Mr. Wilson is to appear on BBC TV next month—with Cliff Michelmore in one of his "A Chance to Meet" programmes—for the first time since the "Yesterday's Men" row.

'No' to Labour

Labour Party was told it could not have similar facilities to the Government—that is the COI and Stationery Office—for publicising its views on EEC entry. Page 21

Labour plan to frank its letters with a "No entry on Tory terms" slogan was also vetoed by the PO.

Briefly . . .

Power was restored to most of the thousands of West Country homes blacked out in 12 hours of freak storms. A farm worker was killed by lightning near Cirencester, Gloucs.

Cricket: England made a first-innings 355 in the deciding Test against India at the Oval. Page 12

BUSINESS

London equities firmer

● LONDON EQUITIES still subdued by the currency crisis, found a few more buyers. The index ended 2.4 up at 405.1. Insurances moved up on Royal's figures.

● LINES Bros. fell 22p to 5p on the voluntary liquidation news. Back Page and Page 16

● GILTS were nervous until the no-change Bank Rate news but closed at gains ranging to ¼.

● ON WALL STREET further profit-taking brought an index fall of nearly 6 which later was halved. But the closing index was 5.40 off at 880.77. Page 24

● TOKYO SHARE PRICES fell further yesterday on heavy selling due to reports that the Yen was to be revalued or floated. But conditions quietened on a Ministry statement that the market was not to be closed.

Frankfurt was active and firmer despite caution over the Brussels EEC meeting.

Paris equities, French and foreign, had losses.

Australia's markets weakened further.

In Johannesburg gold shares eased in late trading.

BOAC's £63 US fare plan

● BOAC PLANS A £63 experimental London-New York scheduled air fare to start in February, if an open-rate situation emerges, compared with the £83-£104 advanced-purchase rate agreed by the Montreal majority. This is disclosed in BOAC's annual report which confirms forecasts that the operating surplus in 1970-71 fell to £5.9m from the previous £31.1m. Back Page and Page 16

● A UCS "MARK TWO" has no future, in the Government's view, said Sir John Eden after talks with the Upper Clyde liquidator, shop stewards and, earlier, Mr. Vic Feather. We are moving towards setting up a new company based on Govan and Linthouse, he said. Back Page

● 10,000 COVENTRY skilled toolroom engineers are to hold weekly one-day strikes in September when the employers withdraw from the 30-year-old wage agreement.

Chrysler U.K. night and day shift workers at Ryton, Coventry, assembly plant have accepted the pay-productivity deal. Page 17

Grand Met. raises bid

● GRAND METROPOLITAN Hotels has added 15p to its offer for Truman, raising it to 453p a share against the Watney bid currently worth 460p. Prudential Assurance has sold its 5 per cent. Truman holding to Watney and Grand Met. in equal parts. Back Page

● ROYAL INSURANCE raises its interim to 5.5p (5p), with first-half pre-tax profit at £20.5m. (£14.6m.). Underwriting result has improved. Page 19; Lex

Ministers in Brussels move towards compromise

Exchanges are expected to open on Monday

BY ROBERT MAUTHNER, Brussels, August 19

MR. ANTHONY BARBER, the Chancellor of the Exchequer, who flew here to-day for urgent discussions with Common Market Ministers on the international monetary crisis, expressed the hope to the Six that the London foreign exchange market would reopen on Monday. He indicated, however, that no final decision had yet been taken on the conditions under which the market would operate.

The assumption is that the pound will fluctuate within wider bands against the dollar, but whether it will remain at a fixed parity still remains to be seen. British sources here declined to comment on the subject but some Common Market delegates claimed that Mr. Barber had indicated that the parity would remain fixed.

Barriers

Asked by Prof. Karl Schiller, the West German Economics and Finance Minister, whether he considered it would be possible to have a two-tier foreign exchange market, involving a controlled and limited float for commercial transactions and a free float for capital transactions, Mr. Barber said it might be acceptable to some countries but difficult to implement in Britain.

The Chancellor spent 40 minutes with the Common Market Ministers, who had interrupted their own crucial discussions on how to react to the latest American measures. He called for a speedy abolition of the 10 per cent. surcharge imposed by the U.S. on imports. This could all too easily lead to further barriers to trade, he was reported as saying.

Mr. Barber told the Common Market Ministers that his meeting with them was an historic occasion. It was significant that the Six was now consulting directly with the U.K. about their common problems.

The Six and the candidates for membership constituted a group of 10 nations with great potential influence, but they would only be able to exercise this influence with maximum effect if they acted in concert, he said.

It was important for Britain to remain in the closest touch with the Six. Their joint aim must be to restore stability to the international monetary scene and then to work for a more soundly based international monetary system without trade restrictions, Mr. Barber said.

After a day of intensive discussions the Common Market's Council of Ministers was to-night laboriously approaching a compromise agreement on joint action to deal with the international crisis caused by the suspension of the convertibility of the dollar into gold. The meeting was expected to go on late into the night and could well be resumed to-morrow before a final agreement is reached.

The plan which is serving as a working hypothesis would entail a return to fixed parities within the Community, including probably a re-alignment of the Six's currencies against each other, and a controlled float of Common Market currencies against third country currencies, notably the dollar.

The stage was set for a possible compromise after a private conversation between M. Valery Giscard d'Estaing the French Finance Minister and Prof. Schiller at the beginning of the Ministerial meeting.

During this conversation, M. Giscard d'Estaing assured Prof. Schiller that the statement issued by the French Government last night which included a declaration that France would not change the parity of the French franc and would propose a two-tier foreign exchange market, was merely an opening proposal.

This was interpreted by Prof. Schiller as a clear indication that a bargain could be struck.

The discussions to-night centred on a proposal made by the Benelux countries which contained many of the main elements of the European Commission's plan, while taking into account French reservations about a joint float of Common Market currencies, originally proposed by Prof. Schiller last May at the time of the floating of the D-Mark.

According to the Benelux proposals, the Common Market would re-establish fixed parities between the member countries, but these would no longer be linked to the dollar as in the past. The new parities would be set at what was described as "a realistic level," which clearly implies that the effective revaluation of the D-Mark and the Dutch guilder, which has taken place as the result of the floating of these two currencies, would be taken into consideration.

The Benelux plan does not, apparently, envisage any outside standard to which the Common Market countries would be tied. The rates between them would be fixed by mutual agreement and there would be a permitted maximum margin of fluctuation of 0.75 per cent. either side of parity.

Mechanism

The corollary of such a system would be the concerted intervention of the central banks of the member countries in order to maintain the parity of each other's currencies within the Community.

Although the Benelux plan does not specifically mention what should be done about the Community's monetary relations with the outside world, the Ministers are working on the hypothesis of a combination of a controlled joint float and a two-tier foreign exchange market.

Everything now depends on a mutually acceptable definition of these two concepts. The Commission has put forward a proposal under which separate foreign exchange markets would be established for commercial and capital transactions with the outside world.

In the commercial section, there would be a wider but as yet unspecified margin of fluctuation with outside currencies than at present, and in the capital section those currencies already floating would still be allowed to do so, while others could join them or not at will.

Although the French initially opposed any system which could be interpreted as a joint float, they are now, apparently, prepared to accept a mechanism which would involve greater flexibility between the Common Market currencies and the dollar, but with well defined limits. It is these limits which the Ministers were hammering out to-night. The Germans, too, are now prepared to accept something on the same lines, according to informed sources.

Most of the Ministers, and in particular M. Giscard d'Estaing, made clear at the beginning of the meeting that one of their principal aims should be to work out a common philosophy on the reform of the international monetary system.

Nixon taking a tough line

BY JOHN GRAHAM, U.S. EDITOR, Washington, August 19

THE NIXON Administration has intensified its belligerent attitude, both domestically and internationally, in the chaotic aftermath of President Nixon's "new economic policy" announcement.

The President himself, in a political speech in Illinois, has publicly for the first time said that his intention is to get other countries to revalue their currencies. The international elements of his new policies, he explained, were designed to meet "the need to revalue the currencies of the world."

This point is especially addressed to the Japanese, of course, and there is a growing belief here that the Japanese will be unable to hold out against the mounting financial, commercial, and political pressure.

Clouded

Bilateral negotiations between the U.S. and Japan are due to begin here to-morrow, with the arrival of the special Japanese envoy. But the atmosphere between the two countries was clouded to-day by the suggestion that Mr. Volcker of the U.S. Treasury—who is handling the international monetary side of things—may not go to Japan, but insist that the Japanese come to Washington.

This line in general—that the U.S. has done what it had to do and that it is now up to other countries—was firmly put by Mr. John Connally, Secretary of the Treasury, this morning. He said that he would probably refuse the Canadian request for exemption from the 10 per cent. surcharge on imports.

Canada, the United States' largest trading partner, sent a high-level mission to Washington to-day, headed by Mr. Benson, the Finance Minister, to ask for complete exemption. The Canadian Government in Ottawa has let it be known that M. Trudeau, the Prime Minister, wishes to meet President Nixon fairly soon. No softness on the Canadian question is detectable in the U.S. Treasury or the White House.

Secondly, Mr. Connally this afternoon issued an official statement saying that he did not plan to give Lockheed a special exemption from the 10 per cent. import surcharge for the Rolls Royce RB-211 engines. Despite an earlier suggestion by Treasury officials that this might be considered a special case, political difficulties have carried the day.

McDonnell Douglas has the wings for its DC-10, the chief rival to Lockheed's L-1011, made in Canada and these will be subject to the surcharge.

It was Mr. Connally himself who was largely responsible for Lockheed's getting Congressional approval for a Federal loan guarantee, and he might therefore have been presumed to have a strong interest in not making life any more difficult for the company.

Thirdly, there is more and more evidence that the U.S. not only intends to make the wage-price freeze stick for the announced 90 days, but may well extend it, or at least institute some system at the end of the period to prevent a renascence of inflationary tendencies. Mr. Connally said this morning that the new Cost of Living Council (COLC) spent three hours at its first meeting yesterday discussing this very question.

He also carried the fight straight back to that section of America which has been most hostile to the President's proposals, the labour unions. The unions have been threatening to ignore the proposals not only by continuing the existing strikes (which the White House has asked them to call off), but by general strike action.

To-day the AFL-CIO Council met with Administration officials, and a spokesman for the labour side said that the AFL-CIO is getting an increasing number of telephone calls demanding a national strike.

"No faith"

Mr. George Meany, president of the AFL-CIO, has accused President Nixon's economic proposals as being a "tax bonanza" for business. Mr. Connally rounded on this charge to-day, saying that this was "sheer malarkey" and "rank demagogy." He went on: "At some point not too distant in the future we are going to have to take a look at the capacity of big business and big labour to abuse powers."

The Administration to-day won a notable victory in this new policy of toughness towards the unions, when the Teamsters Union agreed to co-operate fully with the freeze.

But all the Administration's resolve wil lbe needed in the light of an extraordinary statement made by the AFL-CIO after to-day's meeting with the Administration. Mr. George Meany said flatly that "we just won't co-operate." He advised all striking unions to ignore the Presidential plea to call off their strikes.

He also suggested that they consider nullified any contracts whose wage settlements are frozen by the President's order.

"We have absolutely no faith," he said, "in the ability of President Nixon to successfully manage the economy of this nation for the benefit of the majority of its citizens. Specifically we urge the Congress to reject the President's proposals to further enrich the corporations at the expense of the poor and the needy and the public treasury."

If a serious row is building up domestically, it is far from clear what the U.S. really intends to do with respect to the international monetary situation. Senior Administration officials are being deliberately vague about a possible return to convertibility of any sort, and the likeliest explanation of this is that the U.S. has taken its stand, is by no means unhappy to see the disorder it has produced in Japan and in Europe, and is waiting to see what anyone has to offer.

The import surcharge is the hostage to agreement that suits the American book. If other countries revalue by satisfactory amounts, then Messrs. Nixon and Connally will consider removing it, but they are prepared to use whatever trade weapons they have in order to get an exchange system they can live with.

There may well be the makings of a trade war in this, but the U.S. is banking on other countries—especially the EEC and Japan—realising that they have far more to lose by a trade war than the U.S.

The State Department announced to-day that Mr. Nathaniel Samuels, Deputy Under-Secretary of State for Economic Affairs, will go to Europe early next week to represent the U.S. at a special GATT meeting on the 10 per cent. surcharge.

Trust Houses Forte split temporarily healed

BY SANDY McLACHLAN

THE deep rift in the Trust Houses Forte Board was healed temporarily at least yesterday with a compromise solution which nevertheless seems to have given Sir Charles Forte the upper hand.

At a Board meeting yesterday and with the deposed managing director, Mr. Michael Pickard, in attendance, it was agreed that Sir Charles should become temporary chief executive of THF until such time as a new permanent chief executive can be appointed.

At the same time, in order to try to preserve a balance between the Trust Houses and Forte factions on the Board, Mr. Eric Hartwell, a Forte man, has relinquished his position as one of two joint deputy managing directors in favour of Mr. Michael Matthews from the Trust Houses side.

The situation is now that Trust Houses retains the chairmanship in the person of Lord Crowther and has one deputy managing director. Forte, on the other hand, has the chief executive and the other deputy joint managing director, Mr. Pickard, remains on the Board as a director.

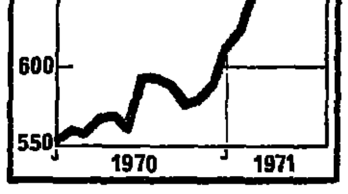
The split in the Board first became evident on July 23 when Mr. Pickard was ousted from the position of managing director at a Board meeting where previous Forte directors were in the majority. The dismissal of Mr. Pickard followed closely on the publication of the report of the DTI inspectors on ILSC and Pergamon Press, in which Mr. Pickard came in for a certain amount of criticism.

August jobless total at post-war peak

BY MICHAEL HAND

FACED by another big rise, to 904,000, in the number of people out of work in the U.K., the Government is still banking on its recently announced reflationary measures to turn the tide soon, and certainly before the million mark feared by the unions can be reached.

The total number of people unemployed in Britain has risen over the past month to 859,000, or 3.7 per cent. of the working population. This is a jump of 73,000 since July, when the percentage was 3.4, and more than 250,000 above the August figure last year. The Northern Ireland figure adds another 45,000 to the total.



This is only the second time since the war that the overall figure has passed 900,000. The first occasion was during the severe weather in February, 1963.

No firm forecasts are being made about when the upward trend is likely to be reversed, but it is hoped that the measures announced by the Chancellor last month will start being reflected in the level of unemployment in the next two or three months.

Between July and August, the number of wholly unemployed increased by 34,000 to 762,000 including 25,000 students looking for vacation work. The seasonally adjusted figure increased by 11,000 to 799,000 or 3.5 per cent. of the working population.

The only slightly encouraging feature for the Government is that the increase in the seasonally adjusted figures for the past three months has been smaller than over the last six-month period—a 22,500 average increase as against 29,400.

Inevitably a major factor in this month's figures was the big influx of school leavers

(Map, Page 6)
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ON OTHER PAGES

THE £ ABROAD

—	Close Aug. 19	Close Previous
New York (Spot)	$2.4620-4660	$2.4500-4600
Do. (1 month)	Unavailable	Unavailable
Do. (3 months)	Unavailable	Unavailable
Do. (12 months)	Unavailable	Unavailable

CHIEF PRICE CHANGES

(Prices in pence unless otherwise indicated)

RISES

Anchor Chemical ...	78	+ 6
Babcock & Wilcox ...	272	+ 16
Bluemel Bros.	89	+ 5½
Bradford Prop.	147	+ 6
Commercial Union	454	+ 4
Court Line	129	+ 6½
Courtaulds	128	+ 4
Courtney Pope	70	+ 7
Drakes	208	+ 11
Harris (M. P.)	198	+ 8
Henry (A. & S.) ...	71½	+ 15
Hoffnung (S.)	190	+ 7
Imperial Chem. Inds.	321	+ 7
Lloyds Bank	613	+ 8
Martin (Tom)	80	+ 5
Midland Bank	535	+ 12
Reeves & Sons	200	+ 30
Royal Insurance	397	+ 11
Scot Meat Products	162	+ 9
Travis & Arnold ...	138	+ 6
Anglo Ecuadorian ...	78	+ 5
Botswana RST	210	+ 10

FALLS

Komatsu 6½pc 1984	150	− 29
Aust. & N.Z. Bank	244	− 10
Cavenham Foods ...	93	− 5
Clayton Dewandre...	118	− 5
Granada "A"	370	− 10
Lines Bros.	5	− 22
Lucas (J.)	250	− 11
Perkins (D.)	138	− 6
Rank Org. "A" ...	844	− 16
Reardon Smith "A"	50	− 8
Richards Wallington	72	− 8
Assoc. Austral. Oil	60	− 8
Anglo Vaal	700	− 30
CAST	180	− 10
Cons Murchison ...	383	− 10
Libanon	163	− 7
Spargos Exploration	50	− 10
West Wits	805	− 25

U.K. DAILY STOCK INDICES

F.T.-ACTUARIES

	Aug. 19	Aug. 18	Yr.ago
Industrial Group...	165.75	165.55	—
500 Share	180.60	179.83	135.61
Div. yield pc	3.67	3.68	4.76
P/E Ratio	17.56	17.49	13.95
All Share	178.28	177.62	129.36
Consols Yield pc ...	9.15	9.15	9.24

FINANCIAL TIMES

	Aug. 19	Aug. 18	Yr.ago
Govt. Secs.	75.47	75.40	70.61
Fixed Interest	74.66	74.61	72.46
Industrial Ord.	405.1	402.7	339.4
Gold Mines	54.0	54.8	49.4
Ord. Div. Yield ...	3.78	3.80	4.90
Earnings Yield	5.89	5.93	6.74
P/E Ratio	16.98	16.88	14.83
Dealings Marked...	10,058	9,318	7,386

Industrial Ord (noon) 402.7

For latest share index phone (01)-246 8026

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Letters to the Editor

BRACKEN HOUSE, CANNON STREET, LONDON, EC4

Fruit delayed at Tilbury

Sir,—I feel I must write to you and comment on your recent report (August 9) by Sir Andrew Crichton that "operations at OCL's container berth at Tilbury . . . are now a matter of some pride." Reference was made to records for discharging cargoes having been broken and I must say that, as far as fruit is concerned, the record applies in reverse as there are increasing and frustrating delays in deliveries of containers to consignees.

May I make it clear that my committee fully supports the movement towards containerisation of Australian fruit: the advantages are many and self evident. However, the operation can only succeed if the requirements of consignees are serviced and not as one sometimes suspects, the computer system operates for the sake of the computor. Container services must help producers through to consumers to ensure successful marketing.

As consignees of a perishable commodity, we must have prompt delivery of cargo. Unfortunately, we hear too often of containers being delayed of up to a fortnight after ship's discharge. It is to the credit of shipowners that fruit under such conditions is still delivered in good condition, but these delays can cost producers a great deal of money through loss of market.

Please let it be known that more fundamental thinking and reorganisation is necessary at Tilbury if the much heralded container service is to live up to its claims.

H. W. Mack,
Chairman,
Australian Committee,
National Federation of Fruit and Potato Trades,
Russell Chambers,
Covent Garden WC2E 8AD.

An interesting rate

Sir,—I recently decided to check the HP rate of interest charged by Diners Club on the merchandise they offer to members, and I was reminded what a very difficult task this is for people not accustomed to such calculations and without access to a calculator.

Readers might be interested in the following short cut which is accurate to within ½ per cent. for a standard pattern of six-monthly instalments.

(a) Find the interest charged by subtracting the cash price from the total H.P. price.

(b) Find the effective loan by subtracting one instalment from the cash price.

(c) Express the interest as a percentage of the loan, and then multiply this percentage by 4.4 to give the annual interest rate being charged.

An actual example to try is cash price £33.90, or six instalments of £5.95, which gives the interesting answer of just over 28 per cent.

Barbara A. Lever,
40, Talbot Road,
London, N.6.

Exhibition centre

Sir,—The series of arguments and affirmations put forward by your correspondents (August 13) do not, in my view, justify your headline "Exhibition Centre . . . London preferred." Indeed, the postulations advanced exhibit so much shallow thinking in the matter as to be positively alarming.

Mr. Ronald Lyon is at least cogent in his description of just what the facilities will be at his proposed Northolt Centre. Clearly, however, the criteria Mr. Lyon offers is no more than to be expected.

Mr. G. A. N. Ritson, who speaks for the Association of Exhibition Organisers, has been previously active in raising a whole host of cotton picking details to support the views of his members who quite naturally possess a strong bias to keeping their London based operations in London.

But Mr. Ritson has now proceeded to what must be accounted as an irresponsible conclusion in his reply to Mr. Cole. By assuming that "potential customers must assess for themselves" when choosing between the two centres, he retreats from the discussion with the inference that two centres will be built each vying against the other for its share of occupancy.

Really Mr. Ritson, this attitude is downright dangerous! Your own awareness of the haphazard and piecemeal patterns which have to date inhibited the development of the U.K. exhibition industry must make it only too plain that all concerned will find great difficulty in coping with one national exhibition centre never mind two

Mr. P. A. Mahoney, Industrial Exhibitions, should know better. Without challenging the mass of data that he has so assiduously gathered in favour of the Northolt project, it would nevertheless be interesting to know the formulae by which it was obtained. Certainly, Mr. Mahoney demonstrates that industry in Britain possesses a resistance to change. Moreover, in using his intimate knowledge of the London project to lambast Mr. Cole he mounts a campaign quite unrelated and superfluous to the major issues involved.

Fundamentally, the choice of Britain's National Exhibition Centre must not rest solely upon its ability to offer facilities or even upon its cost effectiveness. What has been ignored until now is the kind of contribution the Centre can make in order for it to succeed over and beyond its mechanical aspects.

Ideally, the management of the Centre must create and energise a driving force capable of superimposing new standards upon exhibiting industry and upon the exhibition organisers themselves. In short, the Centre should not be looked upon as a pedestrian vehicle which exists to service the current state of the exhibition industry but as a new entity which will play a significant role within this country's trading patterns both nationally and internationally.

Looked at in this context, there would seem to be only one answer to the vexing problem of which project is the better equipped to accept such a challenge. Northolt, although a worthy commercial enterprise, can hardly complete with Birmingham's original initiative in promoting The National Exhibition Centre and proposing that it be located in the centre of England. This foresight and enterprise get my vote and not least because Birmingham possesses as a solid foundation for the job in hand one of the most progressive and enlightened bodies of industrialists in this country — The Birmingham Chamber of Commerce.

Alan Wright,
Managing Director,
Conferences and Trade Shows,
1 Queen Square,
Brighton, Sussex.

Conference complex

Sir,—I was very pleased to learn from your edition dated August 13 that the Lyon Group is proposing to include a conference centre within the planned facilities of the London International Exhibition Centre.

Perhaps Mr. Cole (August 6) will also be able to tell us what plans, if any, he has for the inclusion of conference facilities within the Birmingham proposals.

While the need for either or both is urgent it seems a great shame that so much time has to be spent on public inquiries, but let's hope that the Secretary of State for the Environment will be able to hasten his department's decisions on these complexes. To do so will be a step nearer to being able to compete with our friends on the Continent in providing first-class conference and/or exhibition facilities, which we hope many of them will use to the advantage of the national economic situation.

Peter M. Cox,
Association of Conference Executives,
82z Portland Place, W1N 3DH.

Running water resources

Sir, — Sir John Cockram (August 17) puts forward powerful arguments in favour of the establishment of single-purpose authorities, but because he is dealing particularly with water supplies he does not refer to one of the most powerful.

Sewage treatment in the hands of local authorities has frequently been referred to as the "Cinderella" of the public services and as a result has not received its fair share of the available funds. The same conflict of interest would arise if multi-purpose authorities are established in which water supplies, fisheries and navigation are competing with pollution control for a larger share of the cake.

If single-purpose authorities are established the sewage treatment authority will only have one objective, namely to give proper treatment to the sewage and reduce the pollution of our rivers. If they do not do this job properly then the River Authority will exercise control and apply pressure to improve their performance. With multi-purpose authorities there is no policeman to ensure that funds are properly allocated between the various services. Sewage treatment will once again become the "Cinderella" service.

John T. Calvert,
John Taylor and Sons,
Artillery House,
Artillery Row,
Victoria Street, S.W.1.

Sending money abroad

Sir,—Mr. W. Hodges (August 16) seems to have assumed, because the letter from the Post Office came from their Giro and Remittance Services Exchange Control Department, that the fee stated for an international money order (£3.10) would have been the same for an international Giro payment.

This is not so. The advice given him to consult the National Giro Centre if he had a Giro account was sensible. A transfer of £100 from his Giro account to a payee in France (whether or not that person held a local postal Giro account) would have cost him only 25p—a saving of 25p on the charge of 50p made by his bank—and, in my experience, would have been carried out just as quickly.

A. E. Reynolds,
14, Furze Court,
Ashburton Road,
Croydon CRO 6AP.

Methods and mortgages

Residential mortgages

Sir,—The comments on my earlier letter (August 4) on this subject obviously require a reply.

Firstly, it should be made clear that the comparative figures I quoted did allow for insurance of the life of the borrower under the "repayment method." The net premium for this insurance, after allowing for income-tax relief, was assumed to be £8.16 per annum. This figure was taken from the brochure of the life assurance company to which I referred, and presumably is reasonably representative.

Mr. Arthur's communication (August 9) enlarges upon the point made in my earlier letter that the relative merits of the repayment and endowment methods depend crucially upon the rate of discount chosen. To give some perspective on this matter, the table below shows the present value of net outgoings at selected discount rates, for the example quoted in my previous letter.

PRESENT VALUE (£)

Rate of Discount %	Repayment Method	Endowment Method
5	4204	3927
6	3787	3755
6½	3691	3710
8	3128	3380

The table indicates that, for this particular example, a discount rate of somewhere between 6 per cent. and 6½ per cent. equates the present values. Below that rate the endowment method is preferable, and above it the repayment method.

Which rate to use? Mr. Arthur assumes that the borrower's objective is to receive a cash lump sum at the end of the mortgage repayment period, in 25 years' time. The endowment method achieves this automatically. To achieve the same objective under the repayment method one would have to invest the difference between the annual payments under the endowment method and the annual payments under the repayment method. Mr. Arthur postulates that these sums are placed on deposit with a building society, to yield a net return after tax of 5 per cent. On this postulate, and assuming that the borrower places no value on the liquidity of his funds, the endowment method wins. In practice, with the judicious use of such schemes as SAYE and Building Society Bonds, it would be possible to attain a significantly higher net rate of return, but any further exploration of this aspect would represent a digression from a much more fundamental consideration.

For each borrower, the discount rate is defined as the premium required to induce him to accept a cash payment at some future time in place of cash to-day. This rate is equivalent to that obtainable on financial assets only for those borrowers who feel they must have a lump cash sum at some future date. However, there are alternative uses for cash. One use is to avoid, or to minimise, one's recourse to consumer credit, for which true interest rates of anything from 12 per cent. to 20 per cent. or more are charged. Another use is to purchase now, rather than later, real goods and services, of which the prices are currently rising at an annual rate of 10 per cent. It was in the light of these considerations that I chose, for the purposes of my original illustration, what seems to me an extremely conservative discount rate of 8 per cent.

However, the real point at issue is not the level of discount rate one should use for purposes of illustration. It is that each prospective borrower be afforded the opportunity of judging for himself which repayment method best suits his particular circumstances. All correspondents have agreed that the type of comparative evaluation commonly offered by life assurance offices is not appropriate for this purpose. To date, those who publish this kind of evaluation have been conspicuous by their silence. Readers may draw their own conclusions.

P. D. Fells,
6, Redmayne Drive,
Chelmsford, Essex.

Double bill

Sir,—I don't know if I am singled out by fate to be particularly unlucky but I hope for the benefit of the travelling public that I am.

In the past 15 months I have night-stopped at three different five star hotels—two operated by a well known chain in the U.K. and one in Dublin. In each case I checked out using my Diners Card.

In all three cases I was subsequently sent a statement by the hotels concerned indicating the amounts to be in debit and demanding payment. Fortunately in my own case the demands came on to my own desk. Had they gone to my secretary in my absence she might well, in good faith, have ascertained from my desk diary that I had indeed been at those hotels and arranged for payment again!

Three mistakes out of three is 100 per cent. error. And all in favour of the hotel operators. If this degree of error arises on a large scale the trade should continue to prosper.

C. L. Hamilton,
Wymondley House,
Little Wymondley,
Hitchin, Herts

Inventory management

Sir,—I was again interested in Mr. Morton's (August 14) and Mr. Buxton's (August 16) further letters but speaking for myself and, I suspect, for some of my co-apprehensives who Mr. Morton, at least, realises may exist, I should feel much more confidence in the future health of our ailing economy if all these experts would spend a little more time contemplating the wood than on identifying, classifying and even pruning the trees.

That they fully understand the latter I cannot doubt since they so obviously know all their boto-jargonical names but it just won't do for Mr. Morton to so glibly dismiss the matter of goodwill, just because "I doubt, however, if anyone will ever be able to *quantify goodwill satisfactorily.*"

I don't look for 100 per cent. success in this anymore than I want 100 per cent. certainty of never running out of stock—like so-called 100 per cent. inspection, these are as elusive as the Philosopher's stone was to our forefathers—but there is nothing like someone putting even a palpably false value on something to get people arguing about it and thus realising there is a value to be taken into account.

Unfortunately, by and large, British industrialists seem to regard exporting simply as an extension of their home-trading with the result that the export customer tends to get very much the same casual service as we domestic ones do. Any exporter who isn't permanently standing on his head in the sand up to his shoulders must realise that buying British, justifiably or not, is to many potential export customers a gamble, they just don't feel they can afford but because his largely captive domestic customers continue to do so he doesn't see why he should improve his efficiency.

I would be the last t[illegible] any self-benefiting [illegible] motive in suggesting an in[illegible] ment in service to the do[illegible] customer—I am just so[illegible] as to think that a good[illegible] contracted at home migh[illegible] ceivably carry-over to the [illegible] market but perhaps this [illegible] another pipe-dream too.

A. S. Bythway,
71, Highsett,
Hills Road,
Cambridge, CB1 1NZ.

Prospects fo[illegible] EEC entry

Sir,—The only conclusio[illegible] can be drawn from the [illegible] shown in the second speci[illegible] vey on the Common M[illegible] (August 16) carried out f[illegible] Financial Times are:—

(a) That still more tha[illegible] the people interviewed d[illegible] wish Britain to join the Co[illegible] Market; against around a [illegible] who do wish to join.

(b) That 85 per cent. [illegible] people interviewed are [illegible] the opinion that Mr. Heat[illegible] break his promise by [illegible] Britain into the Common M[illegible] either against the wishes [illegible] people, or without properly [illegible] taining the wishes of the p[illegible] Seven per cent. still thin[illegible] hope?) that Mr. Heath will [illegible] his promise. These figure[illegible] not very flattering to Mr. H[illegible]

L. Reynolds,
126 Flemming Avenue,
Leigh-on-Sea, Essex.

Learning fro[illegible] history

Sir,—Joe Rogaly's asse[illegible] (August 16) that the "ar[illegible] demography" has been "[illegible] barrassed . . . by the cons[illegible] and stubborn refusal of po[illegible] tions to increase at the [illegible] foretold" is regrettabl[illegible] accurate. In their book "P[illegible] lation, Resources and Envi[illegible] ment" the Ehrlichs point [illegible] that "The history of popula[illegible] projections in the past [illegible] decades has been that they [illegible] erred fairly consistently on [illegible] low side." They then [illegible] several examples of this cu[illegible] nating with the UN project[illegible] for 1970 world population, [illegible] highest of which was pa[illegible] before the end of 1968.

It is perhaps because [illegible] Rogaly is unaware of the w[illegible] population explosion that [illegible] fails to include mass starv[illegible] amongst the "wonders of [illegible] 20th century" referred to in [illegible] final paragraph.

Michael Armitage,
97, Elgin Crescent, W.11.

Events

NEW COMPANY MOVING IN AT PETERBOROUGH

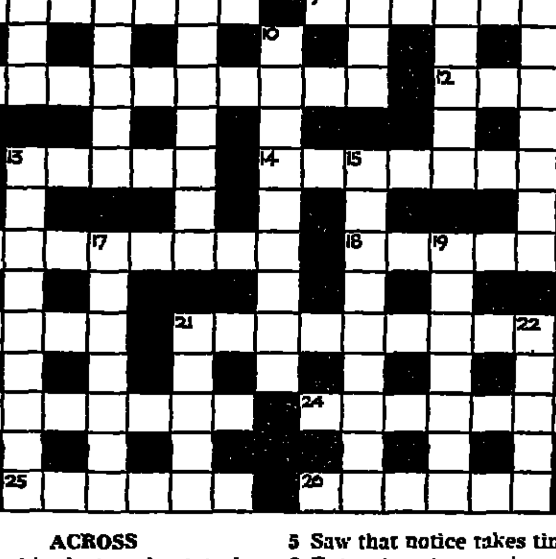
Peterborough Development Corporation has leased another of its factory units at North Westwood. Smiths Brothers Asbestos (East Anglia) begins moving in next month and will be operational from October 1.

The company, a new one, is a subsidiary of Smiths Brothers Asbestos, an old established company at Leicester. Mr. Brian Smart and Mr. Alec McHardy have been appointed working directors of the Peterborough company.

To-day

COMPANY MEETINGS—
CONCRETE, Hounslow, 2.30. (Chairman, Sir Kenneth Wood.)
FENCHURCH INSURANCE, Winchester House, E.C., 10.30. (Chairman, Mr. H. Kissin.)
HERRMANN (H.), Thorn House, W.C., 11. (Chairman, Mr. A. Deutsch.)
LEES (JOHN J.), Glasgow, 11.30. (Chairman, Mr. J. J. Lees.)
MOORES STORES, Newcastle upon Tyne, 11.30. (Chairman, Mr. W. P. Webster.)
PORTER-LANCASTRIAN, Bolton, 12. (Chairman, Mr. T. Porter.)
VALE (THOMAS), Birmingham, 12. (Chairman, Mr. R. S. Leinster.)
VENESTA INTERNATIONAL, Savoy Hotel, W.C., 12. (Chairman, Mr. R. W. S. Plumley.)
WHITE CITY (GLASGOW), Glasgow, 12. (Chairman, Mr. H. M. McMaster.)

F.T. CROSSWORD PUZZLE NO. 1,650



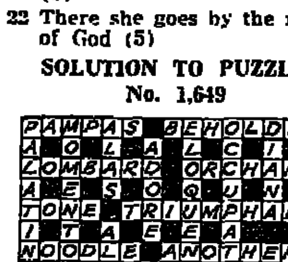
ACROSS

1 Like this doctor about to become unfair (6)
4 A duty as well as a right to enter quarrel (6)
8 Affected by a small family (7)
9 Equal to getting married (7)
11 To be fashionable is complete madness (3, 3, 4)
12 Philosopher married to invalid (4)
13 Sound method of preparing heavenly food (5)
14 Pointed way to record opera cycle (8)
16 Counsel explains motivation of girls in blue (8)
18 Drink a lot out east as protection from the sun (5)
20 First person going on steamer to get into trouble (4)
21 Finish by being transparent (3, 7)
23 Government is singularly suitable (7)
24 Too nice to last with one hundred inside (7)
25 Swallow 'e flung about in all directions (6)
26 About to dust? Far from it! (6)

DOWN

1 Upset by lighter (5)
2 Doctor has just reached double figures in wet (7)
3 A sugar planter has we hear to make a fuss (5, 4)
5 Saw that notice takes time (5)
6 Entrant gets earnings right (7)
7 Independent operator expects a generous cut (4, 5)
10 Neat writer taking in a round-up (6, 3)
13 West country place whose inhabitants don't favour a return of the cat (9)
15 Tree may be 22 yards long (9)
17 In a hurry to be brave (7)
19 Qualification for five is a ring (7)
21 A spirited producer even now (5)
22 There she goes by the mercy of God (5)

SOLUTION TO PUZZLE No. 1,649



TV/Radio

* Indicates programme in black and white.

BBC 1

11.25 a.m. Cricket: Third Test Match, England v India. 1.30 p.m. Watch with Mother. 1.45 News. *1.53 Dyfal Donc. 2.18 Cricket: Test Match, England v India. 4.20 Play School. *4.40 Jackanory. 4.55 Score with The Scaffold. *5.25 Boss Cat.
5.50 News.
6.00 London This Week.
6.20 To-morrow's World.
6.45 We Want To Sing.
7.15 The Virginian.
8.30 A. P. Herbert's Misleading Cases.
9.00 Nine O'clock News.
9.20 Miss United Kingdom.
10.10 24 Hours.
10.45 Movie-makers: David Niven at the NFT talking to Michael Parkinson and members of the National Film Theatre about his career.

All Regions as BBC 1 except at the following times:—

Wales—*1.30-1.45 p.m. Ar Lin Mam. *6.00-6.20 Wales To-day. *6.45-7.10 Heddiw. *7.10-7.35 Dyfal Donc. 7.35-8.00 Here's Lucy. 8.00-8.30 The Spinners. 10.45-11.15 Monty Python's Flying Circus. *11.15-11.35 Llenyddiaeth.

Scotland—*6.00-6.20 p.m. Reporting Scotland. *11.37 Scottish News Headlines.

Northern Ireland—*6.00-6.20 p.m. Scene Around Six. 11.37 Northern Ireland News Headlines.

England—*6.00-6.20 p.m. Look North (from Leeds, Manchester, Newcastle); Midlands To-day (from Birmingham); Look East (from Norwich); Points West (from Bristol); South To-day (from Southampton); Spotlight South-West (from Plymouth). *11.37 Regional News Headlines.

BBC 2

11.00 a.m. Play School.
4.30 p.m. Cricket: Third Test Match, England v India.
7.30 News.
8.00 A View of the Islands: Jersey, Part 3: Tourists Please Note. This is Private Property.
8.30 Summer Review.
9.20 Cousin Bette, Part 2.
10.05 News on 2.
10.10 Get the Drift.
10.40 Late Night Line-up.

LONDON

2.55 p.m. Shooting. 3.20 The Twilight Forest. 3.45 Zingalong. 4.00 Yoga for Heatlh. 4.25 Skippy. 4.55 Secret Squirrel. 5.15 Follyfoot.
5.50 News from ITN.
6.00 Riptide.
7.00 The Sky's the Limit.
7.30 Cribbins.
8.00 The FBI.
*9.00 Kate.
10.00 News at Ten.
10.30 Police 5.
*10.40 Friday's Horror Film: "I Married A Monster From Outer Space," starring Tom Tryon.
12.00 On Reflection . . . "Coral Brown Reflects on Mrs. Patrick Campbell."
*12.25 a.m. A Likely Story.

All ITV Regions as London except at the following times:—

ANGLIA

*4.00 p.m. Anglia Newsroom. 4.03 Yoga for Health. 4.30 The Romper Room. 4.50 Voyage to the Bottom of the Sea. 6.00 About Anglia. 6.35 Crossroads. 7.30 Glamour '71. 8.00 Hawaii Five-O. 10.30 The Name of the Game. 12.00 Reflection.

ATV MIDLANDS

3.35 p.m. To-morrow's Horoscope. 3.40 Women To-day. 4.10 Peyton Place. 4.40 Zingalong. 4.55 Thunderbirds. 6.00 ATV To-day including Sports Report. 6.35 Crossroads. 7.30 Albert and Victoria. 8.00 Hawaii Five-O. 10.30 Late Movie: "The Brides of Dracula" starring Peter Cushing, Martita Hunt and Yvonne Monlaur.

BORDER

4.26 p.m. Border News Headlines. 4.28 Houseparty. 4.40 Zingalong. 4.55 Cowboy in Africa. 6.00 Border News and Lookaround. 6.25 Border Sports Review. 6.35 Crossroads. 7.30 Albert and Victoria. 8.00 I Spy. 10.30 Border Forum. 11.00 Late Night Thriller: "The Giant Claw" starring Jeff Morrow. 12.20 a.m. Border News Summary.

CHANNEL

3.10 p.m. The Eternal Forest. 3.30 Sir Walter Scott 1771-1832. 3.58 Interval. 4.00 Zingalong. 4.10 Puffin's Birthday Greetings. 4.20 Gilligan's Island. 4.55 Land of the Giants. 6.00 Channel News. 6.10 Gourmet. 6.35 Crossroads. 8.00 Department S. 10.32 Feature Film: "The Big Heat" 12.05 a.m. News and Weather in French.

GRAMPIAN

4.21 p.m. Grampian News Headlines. 4.25 Moment of Truth. 4.50 The New Adventures of Huckleberry Finn. 6.00 Grampian News. 6.05 The Smith Family. 6.35 Crossroads. 7.30 Albert and Victoria. 8.00 The Avengers. 10.30 Hogan's Heroes. 11.00 Late Movie: "The Devil's Daffodil." starring Christopher Lee and Marius Goring. 12.30 Evening Prayers.

GRANADA

4.10 p.m. News, followed by *Peyton Place. 4.40 Thunderbirds. 5.35 Newsday. 6.00 Newsday (part 2), followed by *Police File. 6.25 The Saint. 7.25 Albert and Victoria. 7.55 Scales of Justice. 8.25 The Odd Couple. *10.30 "Conflict." starring Humphrey Bogart, Alexis Smith and Sydney Greenstreet.

HTV

3.15 p.m. Land of the Giants. 4.07 Interlude. 4.09 To-morrow's Horoscope. *4.15 Moment of Truth. 4.40 Women Only. 5.06 Zingalong. *5.19 Robin Hood. 6.01 Report West. 6.18 Report Wales. 6.35 Crossroads. 7.30 Friday Film: "Gunfight at Dodge City" starring Joel McCrea and Julie Adams. 10.30 Paper Round. 11.00 Man in a Suitcase.

SCOTTISH

4.15 p.m. The Magic Elephant. 4.28 Crossroads. *4.55 Holiday Cavalcade. 5.20 Skippy. 6.00 Scottish News. 6.10 Bonanza. 7.30 The Saint. 8.25 Albert and Victoria. *10.30 It's Tarbuck. 11.00 Talking Heads. 11.30 Late Call. *11.35 Late Movie: "Miami Expose" starring Lee J. Cobb and Patricia Medina.

SOUTHERN

3.10 p.m. Yoga for Health. 3.35 To-morrow's Horoscope. 3.40 Women To-day. 4.10 Houseparty. 4.23 Fun on a Rainy Day. 4.30 Crossroads. 4.55 Charlie Brown. 6.00 Day by Day (Channels 6, 11 and 27). *6.00 Scene South-East (Channels 10 and 66 only). 6.30 Albert and Victoria. 7.30 Friday Film: "The Golden Mistress" starring John Agar and Rosemarie Bowe. 10.30 Week-end. 10.35 The Name of the Game. 12.00 Southern News Extra.

TYNE TEES

3.00 p.m. People to People. *3.25 All About Riding. 3.50 Interval. 4.10 North East Newsroom. 4.15 The Flintstones. 4.40 Zingalong. 4.55 The Land of the Giants. 6.00 To-day at Six. 6.30 McQueen. 7.30 Albert and Victoria. 8.00 Hawaii Five-O. 10.30 The Late, Late Movie: "A Summer Place" starring Richard Egan and Dorothy McGuire. 12.45 a.m. Late News Extra including Christian Comment.

ULSTER

*4.30 p.m. Romper Room. *4.50 Ulster News Headlines. 4.55 Land of the Giants. *6.00 UTV News. *6.10 Viewfinder. 6.35 Crossroads. 7.30 Laredo. 8.30 Albert and Victoria. 10.30 Friday Film: "The Rise and Fall of Legs Diamond" starring Ray Danton.

WESTWARD

3.10 p.m. The Eternal Forest. *3.30 Sir Walter Scott 1771-1832. 3.58 Westward News Headlines. 4.00 Zingalong. 4.10 The Gus Honeybun Show. 4.20 Gilligan's Island. 4.55 Land of the Giants. *6.00 Westward Diary. *6.25 Sports Desk. 6.35 Crossroads. 7.30 Albert and Victoria. 8.00 Department S. 10.28 Westward Late News. *10.32 Feature Film: "The Big Heat" starring Glenn Ford, Gloria Grahame and Lee Marvin. 12.05 a.m. Faith for Life.

YORKSHIRE

3.00 p.m. Houseparty. 3.15 Women are People. 3.40 Yoga for Health. 4.10 Calendar News. *4.15 Matinee. 4.40 Zingalong. 4.55 Land of the Giants. 6.00 Calendar News. 6.05 The Odd Couple. 6.30 McQueen. 7.30 Albert and Victoria. 8.00 The F.B.I. *10.30 "Both Ends of the Candle," starring Paul Newman and Ann Blyth.

RADIO 1 247m

Time checks, up-to-the-minute traffic reports and News summaries at 5.30 a.m., 6.0, 6.30, then every hour on the half-hour until 2.30 p.m., 3.00, 3.30, 4.00, 4.30, 5.30, 6.30, 7.00, 8.00, 10.00, 11.00, 12 midnight, 1.00 a.m., 2.00. Weather at 5.32 a.m., 6.02, 8.32, 7.32, 8.32, 5.32 p.m., 6.32, 7.02, 2.02 a.m.

5.30 a.m. As Radio 2. 7.00 Noel Edmonds. 9.00 Johnnie Walker. 10.00 Tony Blackburn. 12.00 Radio 1 Club. 2.00 p.m. Tony Brandon. 3.02 As Radio 2. 3.03 Terry Wogan. 5.00 Round Table. 6.00 Sounds of the '70s. 7.03 p.m. until 2.02 a.m., Radio 1 joins Radio 2.

RADIO 2 1,500m: VHF

News summaries at 5.30 a.m., 6.00, 6.30 (VHF and 247m.), 7.00, 7.30, 8.00, then every hour on the hour until 3.00 p.m., 3.30, 4.00, 4.30, 5.00, 5.30, 6.00, 6.30, 7.00, 8.00, 10.00, 11.00, 12 midnight, 1.00 a.m., 2.00. Weather at 5.32 a.m., 6.02, 6.32, 7.02, 7.32, 8.02, 9.02, 5.32 p.m., 6.32, 7.02, 2.02 a.m.

5.30 a.m. News. 5.32 Breakfast Special. 8.27 Racing Bulletin. 8.55 Pause for Thought. 9.21 Michael Aspel's Open House. 11.02 Morning Story. 11.15 Waggoners' Walk NW. 11.30 Mrs. Mills and Reginald Dixon say I'm Glad—I'm Reg. 12.02 p.m. Sam Costa puts the Accent on Melody. (12.30 and 1.30 Golf: Benson and Hedges Festival.) 1.50 Sports Desk with cricket scores. 2.02 Woman's Hour. (3.02 Golf report.) 3.03 Terry Wogan. 4.15 Waggoners' Walk NW. 4.31 Sports Desk. 4.40 Charlie Chester. 5.32 Golf report. 6.02 Album Time with Brian Matthew. 6.45 Sports Desk. 7.03 Folk on Friday. 8.01 Sports Desk. 8.02 Thanks for the Memory with Hubert Gregg. 8.45 Friday Night is Music Night. 10.02 Late Night Extra. 12.00 Midnight Newsroom. 12.05 a.m. Night Ride. 2.00 News.

RADIO 3 194m, 464m; VHF

7.00 a.m. News. 7.05 Morning Concert: Handel, Bach, Vivaldi, Sibelius, Schubert gramophone records. 9.00 News. 9.05 This weeks' composer: Elgar on gramophone records. 9.55 Music Making. 10.45 Organ Recital. 11.25 Test Match Special: England v. India. 11.25-1.35 commentary including summary: 1.35-1.40 news; 1.50-1.55 scoreboard: 2.10-4.20 commentary including summary: 4.30-6.30 commentary; 6.30-6.37 (Medium wave only) summary. 6.37 (Medium wave only) Stock Market Report. 6.40 p.m. Study on 3: The Betweenager, part 6 (Medium wave only). 6.30-7.00 VHF Open University: Open Forum. 7.00 Personality and Power, part 2: F. D. Roosevelt. 7.30 The Proms, part 1: Music at the Court of Spain, Michael Praetorius. 8.35 Two Short Stories. 8.30 The Prom, part 2: Josquin des Pres. 8.55 Leo X and the Sistine Chapel: talk. *9.10 The Prom, part 3, Monteverdi and Bach. 10.00 Smells like rain: talk. 10.15 The orchestra in the 60s: Stockhausen, gramophone record. 10.45 Scriabin piano recital. 11.30 News summary.

RADIO 4 330m; VHF

6.25 a.m. News summary. 6.27 Farming Today. 6.45 Prayer for the day. 6.50 Regional news, weather and preview. 7.00 Today: magazine. The News. 7.40 Today's Papers. 7.45 Thought for the day. 7.50 Regional news, weather and preview. 8.00 News and more of Today. 8.40 Today's Papers. 8.45 The Day of the Triffids, part 10. 9.00 News. 9.05 The Entertainers: Elsie and Doris Waters. 9.50 The happiest days of their lives: Schools Counsellor and her work: discussion 10.15 Daily service. 10.30 All kinds of music. 11.30 From us to you. 12.00 Announcements. 12.10 p.m. You and yours. 12.25 Queen's Counsel. 12.55 Weather, preview and news. 1.00 The World at One. 1.30 The Archers. 1.45 Listen with Mother. 2.00 Steve Race's Invitation to music. 3.00 Afternoon Theatre. 4.00 Sounds familiar. 4.30 Story Time. 5.00 PM: News magazine. 5.50 Regional news, weather and preview. 6.00 Six O'clock News. 6.15 Forces' Chance. 6.45 The Archers. 7.00 News desk. 7.30 Pick of the Week. 8.30 Look Who's Talking. 9.15 More Money—but fewer jobs?: report. 9.59 Weather. 10.00 The World Tonight. 10.45 Afrikaner to Zulu, part 5. 11.00 A Book at Bedtime. 11.15 On the Fringe: University Revue. 11.43 Late News. 11.59 Market Trends.

Racing

Plumbing the depths

by DARE WIGAN

ALTHOUGH clearly it is not feasible to maintain a high standard of racing day in, day out throughout the season, and while allowing that it is necessary to provide opportunities for moderate horses, it is a case of plumbing the depths at Lingfield, Haydock and Teesside this afternoon, although, to be fair, the course executives at Lingfield and Haydock ought not to be criticised too harshly since each has provided a race with £1,000 added money.

At Lingfield, Scobie Breasley saddles Lady Beaverbrook's *Exclaim* in the Heathfield Handicap (3.15), with Piggott in the saddle, and this improved colt by *Exbury*, in spite of carrying an 8 lbs penalty for a victory at Folkestone at the beginning of the month, is preferred to the course and distance winner, *Only You*.

Merchant of Venice, a French-bred colt by *Appiani II*, who was rumoured to be smart before he ran in a maiden race at Salisbury on June 30, goes for the Southern Plate (3.45). He was drawn badly at Salisbury, made a slow start, and never showed with a chance of winning at any stage, but he can do better than that and I expect him to prove it here.

Maj.-Gen. Sir George Burns appears to have a useful staying three-year-old in *Leopardus*, who was backed from 16 to 1 down to 5 to 1 at Wolverhampton the other day. He duly landed the gamble by four lengths and can carry a penalty to success in the Croydon Handicap (4.15). And if he does he may be instrumental in landing a double for trainer John Oxley, for reports from Newmarket suggest that *Pin Hole* will win the Mapleton Plate (2.45).

The result of the Matthew Peacock Handicap (3.15) probably hinges on whether *Loudon Gale* is able to concede 8 lbs successfully to Mr. Frankie Vaughan's *Water Rat*, and my guess is that he will do so, for after winning the valuable Harp Lager Handicap at York from *Hello* and *Stubb's Gazette* on July 9, he ran well on ground softer than he likes behind *Scotia's Girl*, *Medicinal Compound* and *Owen Anthony* at Newcastle just over a fortnight later. *Prince Alphy*, who finished a close third in a handicap at Ostend last month, looks best in the Castle Hill Stakes (3.45).

The safest bet of the day is probably *Doubleglow* in the Hardwick Stakes (2.45) at Teesside. *Doubleglow*, who runs here instead of in the Lady Hill Stakes at Haydock, had some useful two-year-olds behind him when successful at Nottingham last week.

Mr. David Robinson almost achieved a notable double at York yesterday when, after his *Green God* had been disqualified after passing the post half a length ahead of *Swing Easy* in the Nunthorpe Stakes, *Wishing Star* held off the hot favourite, *Philip of Spain*, in a close finish to the Gimcrack Stakes.

LINGFIELD
2.15—Creolina
2.45—Pin Hole*
3.15—Exclaim
3.45—Merchant of Venice***
4.15—Leopardus
4.45—Hartley Court

HAYDOCK
2.15—Grey Mirage
3.15—Loudon Gale
3.45—Prince Alphy

TEESSIDE
2.45—Doubleglow**
3.45—Money Maker

HIGH RATING FOR ATV HAMLET

ATV's production of Hamlet, winner of five Emmy awards in the U.S., was seen by nearly 5½m. viewers on the ITV network on August 8.

The programme got its best figures as a proportion of the TV audience in the Tyne-Tees area, where it attracted 360,000 viewers. In the Midlands area nearly 1m. viewers tuned in.

M & S plans £4m. expansi[illegible] in Scotland

PLANS FOR spending more [illegible] £4m. on enlarging and buil[illegible] stores in Scotland in the nex[illegible] years, are announced by M[illegible] and Spencer.

"This investment reflects [illegible] confidence in business ther[illegible] spokesman said. Local la[illegible] would be needed for the buil[illegible] programme and extra staff [illegible] new and bigger stores.

The programme includes [illegible] development of the Kilmarn[illegible] store, giving five times more s[illegible] space, building of a big store [illegible] Ayr to replace a small one, an[illegible] new store in East Kilbride. Th[illegible] proposed developments are [illegible] ject to planning consent.

Bulk timber carriage by U.S. company

By Our Own Correspondent

LIVERPOOL, August [illegible]
THE PORTS of Liverpool [illegible] London are included in a [illegible] international bulk timber carr[illegible] service to be launched by [illegible] American shipping company.

The twice-monthly, non-[illegible] ference service is being launc[illegible] by Retla Steamship, of Lo[illegible] Beach, California, which will s[illegible] timber and wood products fr[illegible] Singapore and Malaysian port[illegible] South and East Africa, the [illegible] and Europe.

The first vessel is expected [illegible] leave Singapore and make calls [illegible] September, and will then be [illegible] a fortnightly schedule with Li[illegible] pool and London included in [illegible] calls.

alzburg Festival—2

Mitridate, Rè di Ponto

by ELIZABETH FORBES

On the opening night of the rnival season, December 26, 70, a *new opera seria* in three ts. *Mitridate, Rè di Ponto*, was rformed in Milan. The text. Cigna-Santi, which had eady been set by Gasparini ee years previously, dealt th the complicated affairs of tridate, his two sons, Farnace d *Sifare, and Aspasia*, the lady ed by all three of them. The sic, as interpreted by an ex- lent cast, found favour with audience, who encored one the prima donna's arias, and ed "Evviva il Maestro! viva il Maestrino!" The com- er, dressed in a scarlet suit, nmed with gold braid and d with sky-blue satin, con- ted from the clavier. He was years old, and his name was zart.

he performance in the Fel- reitschule at Salzburg, accord- to the programme the first e production for 200 years, arranged in eight scenes, prising an overture, 20 arias, ir linking recitatives, one t and a short final ensemble. music is unfailingly fluent, often very beautiful. The ing is particularly deft—not nothing was Mozart known Milan as Il Signor Cavaliere rmonico. The sentiments ex- sed are mostly as conven- al as Cigna-Santi's not very inguished verse. But three our of the numbers show a chological insight into charac- truly astonishing in someone oung, *however talented and* ocious.

ost of these arias are allotted Aspasia; in "Nel sen mi ita" she confesses her secret love for Sifare; "Nel grave tormento" illustrates her conflicting emotions of love and duty; in "Pallid ombre" she looks for peace in death. The ravishingly beautiful duet with Sifare, in which the two soprano voices entwine in a pre-echo of the Countess and Sussanna, conveys with a moving simplicity the unhappiness of the lovers doomed, as they think, to die. But drama, in our modern sense of the word, is totalling lacking. At that age not even Mozart could lift the clumsy contraption of opera seria off the ground.

The standard of performance *was more* than adequate. Edda Moser as Aspasia sang her lovely music with style and agility. Her warm voice contrasted well with Arleen Auger's purer, whiter tones in the part of Sifare. Helen Watts made a convincing Farnace—he is technically the villain of the piece, but is allowed to repent before the end. Pilar Lorengar, in very good voice, breathed life into the rather colourless role of Ismene. Peter Schreier was a stalwart Mitridate. Everybody coped fluently with the coloratura, but some of the recitatives were not so idiomatic. A few more appoggiaturas would have helped.

Leopold Hager conducted the Mozarteum Orchestra sympathetically, and Wolfgang Weber was responsible for the unavoidably static production. There was no scenery in the conventional sense, but transparent glass pillars and skilful lighting provided some very imaginative stage pictures, the work of Peter Heyduck, who also designed the ornate baroque costumes.

Mitridate, Rè di Ponto, the last scene

onne Arnaud Theatre

Mary Rose

by CHARLES LEWSEN

e plot of *Mary Rose* had in J. M. Barrie's mind seven when he came to write the *but despite long cogitation* perhaps because of it—the seems only half realised. aps he was coming to nise the neurotic implica- of his writing and re- ed his imaginative efforts e is the terrifying matter he unused dagger in the ing of son and mother in pilogue).

e play concerns a girl who disappears from mortal on "an island that likes e visited," to the distress of her parents, then both sband and parents. *We do* irectly enter Mary Rose's e world—a world which she lf cannot remember—we se it only through her acted presence and through non-comprehension of the e around her. This would *challenge to any dramatist;* made all the more difficult the real world surround- he dreamer is made up of and women whose relation ality is about that of the cters in Daisy Ashford (an r whom Barrie much red).

d yet it is not difficult to see the play ran for 399 per- ances in its first run and was revived in London during wenties. There is imagina- laring in the heroine's open- statement, "I'm in hiding *myself*"; beautiful fore- g in "Sometimes I'll love o kiss me, and sometimes it be better not" and in the ent of the heroine's second pearance. "Some day, n, you must kiss me for the last time." If the author was emotionally retarded, his childlike perception still has the *power to draw one into acceptance* of the marvellous.

Richard Digby Day's production at Guildford is meanly set. A play which cries out for gauzes and shadows is surrounded by a stark arrangement of white paper walls like a Japanese house. All the expository scenes are laboured, and director and players are slow to hit the right note of charm to contain the absurd bickering of the adults. However, there is a fine haunted housekeeper from Agnes Laughlan; Fraser Kerr does reasonable justice to the clerical gillie Cameron—a good piece of near-Shavian characterisation, Barrie's one social observation.

Royce Mills is not able to suggest why Simon should take his wife to the island where she was previously abducted, nor does he quite make his joviality a mask for uneasiness; but he makes an upright, wholesome romantic of the kind our stage badly lacks.

Joan Miller was especially fine in the reunion after 25 years; her "My child," actually sung, was a remarkable example of the artist's capacity to bridge *cultures. Perlita Neilson* beautifully captures the innocence, the gaiety, the other-worldliness of a creature wrenched out of time. Moreover Miss Neilson has the courage to do the unexpected, curiously punctuating the onward line of her performance with angular deep bends from the waist. I think she is wrong in expressing agony when sucked into her secret world. That apart, she is an exquisite and entirely faithful messenger from the Never-never land.

eatre Upstairs

Do It! by B. A. YOUNG

. a celebration of Jerry n, man, like *Tyger*'s a cele- on of William Blake. Jerry n, for those who don't mber, founded the Yippies. s an incoherent anarchist looks forward to a new ation of people who are y, crazy, irrational, sexy, , irreligious, childish and

only incursion into British e life has been his wreck- f the David Frost television an action that won him nexpected gratitude of mil- The myth, as retailed by Loeb in his suffocatingly onscious, giggling introduc- to *Do It!*, is that it was se he did this that he was rted from our shores. You *to be able to think at this* to go along with Pip Sim- 's show, which he has ed from Rubin's eponymous

. Simmons is as incoherent s master; his text is mostly ed exhortations to the nce to behave *in the same* y, crazy, etc., way as his any does (or affects to). wear hippy gear, as rigidly dox as the City man's er and umbrella, and their rated squalor suggests the children in *Lord of the* . *Half actors and half pop* rs, they alternate shouting song, though as usual the c is so much amplified that er the words nor the notes be perceived.

e shouts are plentifully with those dreary words an't escape from nowadays. after the first hour, though there was another hour to come. Not because I was shocked; I've seen about 300 plays since the passing of the Theatres Act in 1968 and am virtually shockproof —shockproof against obscene language, full *frontal* nudity, simulated sex acts, and all the rest of the stale old vocabularly of "experimental" theatre. The nearest I came to shock at *Do It!* was in the contemplation of adult, state-educated men and women, under the patronage of the Arts Council, giving such infantile imitations of infantile originals; and of the little points of light around the auditorium that showed where helplessly addicted spectators were smoking their cigarettes under the NO SMOKING signs.

I left because the company had established *their* level of communication at the start and showed no sign of doing anything but repeat themselves. I went without rancour, though I couldn't resist turning up the passage in the Second Reading debate on the Theatres Bill where *Mr. G. R. Strauss* said that "critics would condemn plays which overstepped the bounds of decency and they would not be patronised by the public," and wondering whether I ought to gratify him with a modest condemnation.

But if this kind of phony paranoia is the most dangerous item Jerry Rubin's disciples have to offer, they can't do much harm, as long as they don't do it in the streets and frighten the Traffic Wardens. And perhaps one day we can hope to have them on the Michael Parkinson show.

Cinema

Mother's boy by DAVID ROBINSON

Le Souffle au coeur (Dearest Love) (X) (Curzon)
The Best Age (no certificate) (New Cinema Club)
The Abominable Dr. Phibes (X) (Carlton)

Louis Malle has chosen to set *Le Souffle au coeur* precisely in 1954 not, evidently, for autobiographical reasons (his hero is only 15; Malle was born in 1932) but because he sees that moment as a political and social watershed in French history. There are *constant reminders in the* film that this was the time of the Dien-Bien-Phu débacle; and from the moment of that blow to old colonialist confidence can be dated the growth of the political dissent that culminated in the revolutions of 1968. With the *political climate, social* attitudes also were to change drastically: "Young people of to-day find themselves faced with a great void, and that is exactly their drama; while the young people in my film are beating against a rigid wall: it's this resistance which interests me in this evocation of the crucial period of adolescence."

Laurent is the child of a comfortable middle-class family living in Dijon (which was also the setting of Malle's early success *Les Amants*). His father is a gynaecologist, solidly dedicated to all the values of provincial bourgeois society and with little time or sympathy for his youngest son. His elder brothers' scorn of their father's world is an attitude as conventional as are his own. They are healthily obsessed with sex: and Laurent is dragged into all their games of discovery. He is nearer in sympathy to his mother, a pretty, still young Italian girl whose nationality and expansive independence set her apart from the enclosed world of petit-bourgeois Dijon.

The grown-up world is consistently disillusioning: his father's indifference and hypocrisy; his confessor's pathetic pederasty. The discovery that his mother is having an affair is a worse blow, because it involves jealousy. When *Laurent* is discovered to have a heart murmur (the French term "souffle au coeur" has a more romantic ring) mother and son go off to a spa. There his love and jealousy are tried sorely: an unsuccessful bid for sexual independence but after a drunken July 14 party he realises a classic Freudian fantasy; and sleeps with her.

It was this aspect of the film—and the ending which indicates that the experience has been positively therapeutic and served only to secure the bonds of the family unit—which caused the French pre-censorship commission to condemn the film merely on the strength of the scenario: the commission spoke of "an accumulation of erotic and perverse scenes, complacently described" and of "a project which, in the absence of *genuine artistic justification*, could only result in gratuitous pornography." It was perhaps an echo of this indictment and the superstitious horror of the mere mention of incest which it implies, which led the jury at the Cannes film festival pointedly to ignore a film of very distinctive merits.

The theme is treated with faultless discretion and taste, without the smallest nod to current sensationalism. Malle, one of the first prophets of the *nouvelle vague*, has deliberately *turned back* to the classical style of the immediate post-war French cinema—not with an intention of pastiche, (though more than anything it is this style which reinforces the period atmosphere, vividly evoking a fast-receding recent past) but because this is a method especially well suited to the sort of direct psychological realism with which he approaches Laurent and his world.

"I dared not have tackled a film about adolescence at the outset of my career, as Truffaut *did with Les Quatre Cents Coups*, because I lacked certain qualities which one only acquires gradually: like simplicity, innocence, freedom."

These are precisely the qualities which the film possesses. Malle isolates all the pains and *anger of growing up without ever* losing sight of the thrills of discovery and the over-riding comedy of it all: it is a very funny as well as a very touching film. Above all it manages precisely to capture the sad but inevitable moment in life when the frankness and openness and simple acceptance of childhood are put aside and we embark on the accumulation of that complex of neuroses that constitutes adulthood. Before our eyes Laurent grows up and alters, in ways far deeper than simply changing his reading from comic books to *L'Histoire d'O* and Camus. Already in *Zazie dans le metro* Malle revealed his special gift with child actors; he has produced marvels in the performance of Benoit Ferreux. The adult professionals—Lea Massari and Daniel Gelin admirably complementing each other—do well to keep abreast with him.

★

There is the same perception of history behind the individual process of growing up and growing old in Jaroslav Papousek's *The Best Age*, in which everyone *is all the time accusing everyone* else of being better off because he is younger or because he is older. This is one of the last works of the brief splendour of the Czech New Wave. (It is worth turning up an article in the current issue of *Sight and Sound* about the sad story of the suppression of the cinema after the invasion of 1968.) Papousek was an associate of Milos Forman on *Peter and Pavla, A Blonde in Love* and *The Fireman's Ball*, and of Ivan Passer on *Intimate Lighting*.

The setting of *The Best Age* is the sculpture studio of an art school. A group of old, bored men waits daily in hope of jobs as models, always resentful of the successful applicants: a young mother who cheerfully poses nude despite the racket of her crying baby and the protest of her jealous husband; an aged man who asserts his independence in the face of his ancient girl friend's insistence he should shave his moustache; a solemn coal-man who introduces his high-spirited mates to the excitingly sophisticated world of *the art school. Again it is un*varyingly funny; and again the director's sense of history permits you to see beyond the individuals the image of a whole society.

★

Until now Robert Fuest has been the director you hate to hate. Maybe his trouble was inhibition. *Just Like a Woman* after all was his first film and forgiveable; *And Soon the Darkness* was a terrible old scenario, weighed down by the onus of being part of the disastrous Associated British programme to which the industry superstitiously looked for its Messiah; *Wuthering Heights* carried all the dread responsibility of being a literary classic. *The Abominable Dr. Phibes*, on the other hand, is shameless nonsense; and relief at not having to pretend that it is anything more seems to have done Mr. Fuest the world of good.

Mr. Fuest makes very tolerable use of his means; added to which he has the overwhelming advantage of Vincent Price as the Abominable *Doctor*, bent on the punishment of the surgical team of nine who performed an unsuccessful operation on his dying' wife. Colourfully, Dr. Phibes—who is obliged to devise elaborate masks and ingenious machinery to conceal his own ruined body—chooses to visit his victims with nine out of the ten biblical plagues of Egypt.

Price's special quality is the complete seriousness of his portrayals, and the ability to suggest complete unconsciousness of their high comedy—as when Dr. Phibes, as *bon viveur*, savours his wine via the surgical *pipe in the back of his neck. In* the classic style, like Conrad Veidt in *Caligari* or Karloff in *Frankenstein*, his monsters have a pathos and dignity: poor Dr. Phibes employs the elaborate machinery that gives him voice to make nightly avowal before the portrait of his late love.

The portrait, actually, is one of the film's disappointments. Art direction in British films (and I believe Robert Fuest was himself once an art director) is peculiarly half-hearted. The story is deliberately set in 1925; so that one might expect the film-makers to seek some advantage in the fact. Some of Brian Eatwell's sets, notably a fine art deco house, are quite good; and some of the props, the cars for instance, have been well chosen.

At other points the design lets you down with a dreadful thud. *Even if the average film-goer is* not directly aware of the modern telephones and other quite needless anachronisms, or sensitive to the blatant inconsistency of Phibe's character and decor, I am certain that there is a psychic awareness of the untruth. Inevitably it is worst in the appearance and costume of the women. The 'twenties woman can now look very chic; but all the chances have been thrown away (Virginia North wears some awful clothes). Above all, the portrait, which has to make no particular erotic appeal, and which as a period piece could have been mysterious and evocative, is of a modern miss straight off the cover of *Honey*. There is a point at which carelessness looks like disdain.

Mother and son: Lea Massari and Benoit Ferreux in "Le Souffle au coeur"

Albert Hall

Bruckner 2

by RONALD CRICHTON

The big event in Wednesday's Prom was the performance by Haitink and the London Philharmonic of Bruckner's second symphony. Like Tuesday's Verdi and Monday's Mahler, this was a repeat from the winter season. This time, however, the dodge worked. They played it very well before, they played as well or better on Wednesday—memory in this case is a less reliable guide than usual since the Albert Hall is so much more sympathetic to Bruckner than the Festival Hall.

That remains true even with the Second, where the scoring is often so light for Bruckner, where the pulse beats quicker than in the tremendous but weighty masterpieces that were to follow. How much strange, ravishing music there is in this symphony, above all in the slow movement, how extraordinary that any Bruckner could accommodate a passage that sounds so like Borodin as the tune (tunes, rather, for there is a typical counterpoint going on) over an internal pedal of an open fifth on plucked violins.

The scherzo, at least up to the massive coda, has a Schubertian gait, yet this finely-tempored performance hinted that up to this point the real influence behind this symphony might be Haydn. It may seem silly to go on about pedigrees in Bruckner, but part *of his fascination lies in the* mixture of the profound originality with improbably mixed musical ancestry. Haitink proved himself again one of the best Bruckner conductors of the day, deeply sensitive in the slow movement, deftly propelling the finale, which has a streak of rather grotesque humour that excuses a certain thinness in the material. *The LPO generally* gave great delight, most of all the strings in soft phrases, the first flute, and the first horn, clear as a bell.

For their Bruckner they may be forgiven a stumble or two in Walton's *Improvisations*, a minor work of the canon no doubt, but a choice score which needs the very best playing. John Lill was the acclaimed soloist in Beethoven's C major piano concerto. Beautifully even, polished playing but nevertheless lacking the roughness there should be at *the back of an entirely satisfying* Beethoven interpretation. Unfair to say it was dull, untrue to claim it was very interesting. The clarinet did lovely things in the Largo with the theme Stravinsky remembered in *The Rake's Progress*.

Caerphilly Festival

The 10th *Caerphilly Festival*, to be held this year from October 24 to 30, will close the five-months long programme of celebrations to mark the 700th anniversary of Caerphilly Castle.

Among the artists taking part are the BBC Training Orchestra with soloists Robert Tear (tenor) and Ivor James (horn) and the Jacques Loussier Trio. There will be an "Opera at the Castle" evening with Margaret Price (soprano) and Keith Erwen (tenor). Mozart's Requiem in D will be given by the BBC Welsh Orchestra and the *Caerphilly Festival Chorus*.

The Belgrade Theatre, Coventry, will be presenting a performance of *The Price* by Arthur Miller.

The Caerphilly Urban District Council believes it is one of the few, and possibly the only, local authorities in Britain to *directly* administer a festival of this kind.

A council spokesman said: "We have particulary encouraged the works of young musicians and composers but our policy is to bring the finest in the Arts to the man in the street at prices he can afford. For instance this year, after much heart-searching, we are raising admission prices to 70p and 40p for all concerts, with a special price for pensioners."

Farming and Raw Materials

Headache harvest for Britain's farmers

BY GODFREY BROWN

THE 1971 cereals crop is giving Britain's farmers its full share of harvest headaches. Already they have seen the early promise of really good crops following the favourable start at planting and during the early months of this year quietly dissipate under the adverse weather conditions of the past few weeks.

As a result, a sense of disappointment was reported yesterday from some of the main growing areas, even though yields are expected to be up on last year's disappointing, below-average harvest.

Good, settled weather for the next 3-4 weeks is becoming essential for a successful completion of the harvest. But progress was further delayed in several parts of the country yesterday by heavy, widespread, if localised thunderstorms in the previous 24 hours. It was too early, however, for any reports of serious damage to have filtered through to farmers' union officials contacted during a survey throughout many of the main cereal-growing areas.

Black smut

One effect of the past weeks' patchy weather which has prevented a full-scale continuous harvest assault has been to "telescope" the various crops instead of following each other in progression. In some cases this has meant a reduction in barley yields, when the grain has become so ripe that it is shaken out and lost before it enters the combine harvester.

Some farms in the South-East reported yesterday that wheat was still not ready for harvest, needing another couple of days to harden. Meanwhile, the days are gradually shortening, the dew staying longer in the mornings and coming earlier at nights.

Disease is severe in some cases, particularly the South-West, where there were reports of black smut on wheat reducing the potential yield by 20 per cent. But the trouble is very localised. A puzzling feature of the disease pattern this year was reported from Kent. Diseases such as rust, glume blotch and take-all, had normally been found on land where the same cereal crops had been grown in successive years. But this year they had spread even to land where proper rotations had been carried out.

Area harvest highlights include the following: Eastern Counties—Good weather this week has seen the beginning of harvesting. The general impression so far is that the harvest will be normal or average. Much depends on good weather for the next two-three weeks. Disease has not been a great problem this year, although wild oats are prolific. Storm damage has been isolated and the corn is standing well in most areas. In Essex, winter wheat looks well, yields of winter barley have so far been disappointing. Spring barley is very variable. Inroads have been made into Spring barley in Cambridge, Isle of Ely and Norfolk, with average yields reported.

In the NFU's Midland region, covering 10 counties from the Welsh border of Herefordshire to Derbyshire, Oxfordshire, Northamptonshire, Leicestershire and Nottinghamshire, the general picture subject to the previous day's storms is of an above-average harvest if it can be brought in, with the exception of Nottinghamshire which has suffered particularly from last week's severe storms that have cut yields by 2-3 cwt. an acre. This is the latest in a succession of weather-damaged harvests in the county and good weather there is now critical.

Barley is reported outstanding in Shropshire and wheat the same in Herefordshire. In Worcestershire and Staffordshire the harvest is reported a little above average, while in the Northamptonshire area crops are somewhat less than ideal.

Too ripe

In the NFU's South-West area, covering six counties from Dorset, Wiltshire, Gloucestershire down to Cornwall, the very heavy storms held up work yesterday, delaying and "telescoping" an already delayed harvest.

In the North Riding of Yorkshire and South Durham, combining barley started last week but some of the crops are reported too ripe, pulling yields to below average.

In Cheshire good crops are reported, but there are complaints about low prices. Some of the Eastern parts of the country have not yet started on barley.

Meanwhile the NFU, commenting on the effect of the currency crisis on world grain prices, has told growers that whatever the outcome, they should bear in mind when marketing their grain that because of the operation of the U.K. minimum import price and levy scheme for cereals, adjustment to the international currency values should not allow imported grains to be available within the U.K. at prices below the level of the existing M.I.P.'s.

Wool sales may be delayed

SYDNEY, August 19.

AUSTRALIAN Wool Commission acting chairman W. J. Vines said the wool authorities will decide to-morrow whether to postpone the opening of the 1971-72 wool-selling season, due next Monday.

He said difficulties stemmed from the uncertain currency exchange rates following the closure of major foreign exchange markets this week. Unless the markets opened there is a possibility that the season will be postponed because buyers will be unable to fix currency exchange levels, Mr. Vines said.

The joint wool selling organisation, which arranges sales, will accept the Commission's decision, Mr. Vines added.

Sales scheduled for next Monday are in Brisbane and Melbourne and on Tuesday in Fremantle, with a total initial offering of almost 180,000 bales. Sydney sales are not due to start until August 31.—Reuter.

Japan protests at U.S. cotton surcharge

TOKYO, August 19.

JAPAN has protested to the U.S. that a 10 per cent. import surcharge had been imposed on Japanese cotton products, the Foreign Ministry announced here to-day.

Informed sources said the customs officials in New York had been levying the surcharge because Japan had not ratified the long-term agreement on the cotton trade.

A Ministry spokesman said it was believed the new measure had not yet been fully understood by lower grade officials in Washington.

Japan demanded that cotton goods be free from the surcharge in accordance with a note exchanged between the two Governments last June.

Nissan Motor Company said the surcharge would not affect Japan's automobile exports to any serious extent. Sales might decline slightly, but that would be compensated for by an increase in sales of smaller cars as a result of the withdrawal of the 7 per cent. inland excise.
Reuter

Pesticide survey clears U.K. food

THERE IS little need to worry about the effect of pesticides on Britain's food, according to a survey by the Society of Public Analysts and local authorities in England and Wales.

In their report, published yesterday, they say that after a 12-month investigation "the results showed no evidence of any gross contamination and none was considered to warrant vigorous follow-up action."

The survey was carried out three years ago and it confirmed the findings of another survey made 12 months earlier.

The local authorities took random samples from food shops and these were analysed by the scientists.

Among the home-produced and imported foods tested were meat, dairy products, bread, fruit, vegetables, eggs, coffee and cocoa.

As in the first survey, lard was found to be the most contaminated food. But the pesticide residues in it were well below the widest safety limits.

Pork joints and sausages were not affected to the same degree. The report says that, once again, there was little to choose between home-grown and imported products

But certain fields of food contamination had not been fully covered in the survey. These should be dealt with if complete clearance was to be given to the nation's diet.

Mr. D. G. Forbes, a public analyst who edited the report, said that while there was evidence of pesticide residues in food, "only in one or two instances did the amounts even approach a figure which could be considered significantly harmful to a consumer."

Canadian pulp industry fears huge layoffs

By Our Own Correspondent

MONTREAL, August 19.

THE Canadian pulp and paper industry fears massive layoffs if the U.S. 10 per cent. surcharge on Canadian exports of fine and printing papers, wrapping paper, paperboard, speciality and building papers and boards is not rescinded.

The Canadian Pulp and Paper Association has appealed to Ottawa to press for exemption of these products from the surcharge in the same way that newsprint and pulp have been exempted. The Association estimates its imposition would lead to a loss of production in Canada of several hundred thousand tons of these products, which represent 1 per cent. of U.S. consumption.

N.Y. copper, silver trade re-opens

By Robin Reeves, Commodities Editor

THE New York Commodity Exchange, dealing among other things in copper and silver futures reopened yesterday for the first time since President Nixon's measures were announced.

At the start, copper futures fell by about 20-30 points compared with last Friday's close on the exchange with 138 lots sold at the opening call. However, values recovered in later dealings.

Silver futures rose initially by 40-70 points compared with closing prices last Friday, but then fell back in later dealings.

Before the opening, Comex issued a statement to the effect that dealings in copper and silver would be subject to a ceiling to comply with President Nixon's price freeze policy. Settlements will not be permitted at prices in excess of $1.79 an ounce for trading in August, September, October and November silver futures, and 65.8 cents a lb for nearby September and October copper futures.

These maximum settlement prices are either the highest which prevailed in a substantial volume of transactions during the 30-day period ending August 14, 1971, or the highest prevailing prices on May 25, 1970.

But it would be surprising if these ceilings were tested during the 90-day freeze period.

The reopening of Comex had little material effect on the London Metal Exchange copper market which had another quiet day. In silver, the trend in New York prompted fresh selling.

Better grain crops in East Europe

GRAIN CROP harvests in Eastern Europe show a clear improvement on last year when floods and drought played havoc with them, latest reports received from various centres indicate.

The official Hungarian news agency MTI said the Hungarian wheat harvest was the best ever. Hungary's wheat crop was of high quality and enough to cover the country's bread grain requirements next year, and augment reserve stocks which had run low after last year's bad harvest.

Fodder reserves and livestock had also been increased. Agronomists attributed the results to better production technology.

The Yugoslav wheat crop is expected to reach 5.3m. tons, about 1.5m. more than last year. Experts of the Federal Chamber of the Economy forecast in Belgrade. One expert said this will mean a market surplus of more than 2.5m. tons. Reuter

HARVEST WEATHER

Foolproof forecasts no longer exist

BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

FROM most farmers' point of view weather forecasting is either as ambiguous as the delphic oracle or 100 per cent. wrong, although I believe the Met. Office claims a margin of error of no more than 50 per cent. This I am assured is much better than it used to be pre-war. But I must disagree. Distance of course lends enchantment but the weather forecasts by which I farmed in those days were more accurate.

There was no dependence on the radio, or wireless as we called it then. When I met my men at 6.30 a.m., we used to have a general discussion about the day's weather prospect and generally knew enough about local conditions to get a rough idea. If the wind was in the east, it was likely to be fine and cold in winter, warm in summer, if it was in the south-west, it could rain.

No incentive

But for the particular we were more exact. A boy, it was usually the pupil because he cost nothing and was useless anyway, was sent off on his bicycle to interview a retired shepherd who had a small holding in the village. This character, George, had a fund of weather lore and could predict the climate for the next 24 hours with an accuracy that has yet to be beaten by his most modern professional successors. And on his report we would plan such things as haymaking, harvest threshing and so on.

George alas is dead. The need for a successor is as great as it ever was, even if the boy would have to go at my expense in a car for a consultation, but I have yet to find him. These days, I have to telephone the Air Ministry in the district, and their advice, though helpful, is not to be relied on. Only this week, one of the forecasters gave me a prediction that would have encouraged me to leave the harvest as hopeless for the day, only to have it turn out hot and dry as soon as he rang off.

But accurate forecasting is not just a tool of practical farming. It's becoming an essential factor in all farm business. For instance, I am at the moment engaged in harvesting barley. What I have got safely stored at present is quite nice bold grain, with no discolouration and no pre-harvest germination. It should make a malting sample, and quite a good one. The price it will make depends on a variety of factors. The first is the level of the seed grain market. For the first time for more than 30 years there is no incentive for storage, farmers are on their own to make the most they can, and will be paid a deficiency payment on an acreage basis. The same applies to wheat.

Farmers have also been enjoined to do their marketing in an orderly manner. This phrase has been reiterated by the Minister of Agriculture, the National Farmers' Union, the Home Grown Cereals Authority and almost anyone else one can think of. It's a singularly fatuous suggestion in the circumstances because there are so many definitions of orderliness. The Government and the trade want a regular offstake so that the users, millers and compounders don't buy imported supplies and leave home stocks to languish on the farm. Nor do they want a flooded harvest which will depress prices to the extent that the deficiency payments will be an undue burden to the Exchequer. But grain growers don't work as one composite unit. Each farmer is on his own, in a market where everyone's hand is against him.

Orderly marketing for the user means buying at the lowest possible price, while to the f[illegible] it's essential to make the most he can. The deficiency [illegible] ment system encourages th[illegible] the farmer who beats the av[illegible] price benefits. And beatin[illegible] average is what really c[illegible] But it's not easy, and he[illegible] where good weather forec[illegible] is one of the factors.

I have, as I have said, 30[illegible] of malting barley in store. D[illegible] this past week I drove up to Lincolnshire. Harvest had h[illegible] started once I crossed the Lo[illegible] to Bath road going north. C[illegible] although thick, were a bit b[illegible] down and a certain amou[illegible] green was showing through [illegible] grass weeds were beginnin[illegible] take hold. Tuesday was wo[illegible] ful combining weather, but [illegible] then it's been raining. The settled thundery weather is only going to hinder harves[illegible] it's going to reduce yields [illegible] spoil quality.

Invaluable

If this weather keeps on [illegible] value to my barley will incr[illegible] with every day of rain as [illegible] chance of competing sup[illegible] becoming available dimini[illegible] If, on the other hand, there [illegible] long-settled spell of wea[illegible] then it won't be wanted quit[illegible] much. If a disaster happens [illegible] it rains till Christmas I shal[illegible] very well indeed, but I [illegible] need all the extra cash to c[illegible] by other losses for I still ha[illegible] lot to do.

You see how foreknowledge [illegible] the weather even that over [illegible] next few days, would be inv[illegible] able to my farming business [illegible] every sense. It would be a g[illegible] help to my customers too; merchants, maltsters and mill[illegible] So in a perfect world this kn[illegible] ledge should be reserved [illegible] farmers only. However, [illegible] world, as we know it, is unlik[illegible] ever to become as perfect as t[illegible]

Irish beef sales pledge

BY OUR COMMODITIES STAFF

BRITAIN'S Common Market entry will in no way affect Ireland's normal exports of meat to Britain, Mr. Peter Needham, general manager of the Irish Livestock and Meat Commission, said yesterday.

"We look upon the U.K. essentially as the market for our best-quality beef and there is increasing evidence that the British housewife realises that the cost of meat is closely related to the quality," he added.

Mr. Needham was commenting on reports suggesting that Irish manufacturing beef would be switched to the U.K. on entry into the EEC if the beef could not be exported to the U.S. He admitted that this could be the case, but stressed it would not interfere with normal exports to Britain.

Ireland was currently sending increasing supplies to the U.K. which should help to offset any domestic shortage, and was shortly launching a publicity campaign to secure recognition by the British housewife for Irish beef strictly on its merit and under its own national name, he added.

July milk output higher

HIGHER milk yield increa[illegible] production in England and Wa[illegible] by 4m. gallons in July over [illegible] same month last year—despi[illegible] fall in the number of dairy c[illegible]

The Milk Marketing Bo[illegible] said to-day that a total [illegible] 197,220,000 gallons was sold [illegible] farms in July. But liquid sa[illegible] at 121,100,000 gallons, were d[illegible] by 1.4m. gallons, compared w[illegible] July 1970.

Sales of milk for fresh c[illegible] during the month reached [illegible] all-time record for any mont[illegible] 16.38m. gallons.

COMMODITY MARKET REPORTS AND PRICES

BASE METALS

COPPER — Steadier tendency developed on the London Metal Exchange, although business was still checked by the continued closure of the foreign exchange markets. Uncertainty regarding the impact of the U.S. economic measures remained, but sentiment was impressed by the steady reopening tone on Comex and the latter's subsequent firmness. This gave rise to opinions that a floating pound might not, after all, have such a dampening effect on London metal prices as was thought on Thursday. Turnover 4,325 tons.

Henry Gardner and Co. reported that in the morning cash wirebars traded at 446.5, 46, 47.5, late Aug. 458, early Sept. 459, mid-Sept. 450, late-Sept. 451, mid-Nov. 457. Three months 458, 57, 56.5, 57. Cathodes: cash untraded, three months 445.5. Kerb: late-Aug. wirebars 449, early-Sept. 449.5, three months 447.5. Cathodes untraded. Afternoon. Cash wirebars 449, late Sept. 454, early-Nov. 460. Three months 461, 60.5, 60, 59.

COPPER	a.m. Official	+ or −	p.m. Unofficial	+ or †−
	£	£	£	£
Wirebars				
Cash	447-.5	+1	448.5-9	.....
3 months	457-.5	+1	456.5-9	.....
Settlem't.	447.5	+1	—	.....
Cathodes				
Cash	435 6	+1.25	437.5-8	.....
3 months	445.5-6	+1	447.5-8	—.5
Settlem't.	436	+1.5	—	—
U.S.Smlt.	—	.....	*52.75-53	—

58.5, 59, 59.5, 60.5, 60, 59. Cathodes: cash untraded, late-Aug. 436.5, three months 447, 47.5. Kerb: cash wirebars untraded, three months 459.5. Cathodes: cash untraded, three months 447.5, 48.

TIN—Marked time with business again being limited by uncertainty over the U.S. economic measures coupled with foreign exchange considerations. Some stop-loss selling of forward metal was seen during the morning, but after lunch the market was steadied by a suspected intervention on the part of the Buffer Stock manager in nearby metal which also narrowed the contango a little. Turnover 895 tons.

Morning: cash 1,410, 12, 11, late Sept. 1,418. Three months 1,425, 26, 27, 28. Kerb: cash 1,411, late Aug. 1,413, three months 1,426, 27. Afternoon: Cash 1,412, 10, mid-Sept. 1,419, three months 1,426, 24. Kerb: cash 1,410, late-Aug. 1,412, mid-Sept. 1,415, three months 1,424, 23.

TIN	a.m. Official	+ or −	p.m. Unofficial	+ or †−
	£	£	£	£
Cash	1410-11	.....	1410 11	.....
3 months	1425-6	—1	1424 5	—5
S'ment	1411	.....	—	.....
Straits E.	$M624½	—3½	-	—
New York	—	.....	*164.63	—

LEAD—Little changed. After easing at first, the market steadied following some bidding on behalf of producer interests which also stimulated a little more interest in forward metal. Turnover 3,700 tons.

Morning: Cash 106, 5.5, three months 108, 7.75. Kerb: cash untraded, three months 107.75. Afternoon: Cash 105.5, early Sept. 106, late Sept. 106.5. Three months 108, 8.75, 8. Kerb: cash untraded, three months 107.75.

LEAD	a.m. Official	+ or −	p.m. Unofficial	+ or †−
	£	£	£	£
Cash	105-.5	-2.125	105.25-.75	—.25
3 months	107.5-8	-1.625	107.75 8	.....
S'ment	105.5	—2	—	.....
N.Y. Spot.	—	.....	*14-14½	.....

ZINC—Eased further in quiet trading conditions. Turnover 2,625 tons.

Morning: Cash 132.25. Three months 136, 35.5, 35.25, 35.5. Kerb: nil. Afternoon: Cash 132, 31.75, three months 135.5, 35.25. Kerb: cash untraded, three months 135.

ZINC	a.m. Official	+ or −	p.m. Unofficial	+ or †−
	£	£	£	£
Cash	132-.25	—1.25	131.75-2	—1
3 months	135 25-.5	—1	135-.25	—.75
S'ment	132.25	—1.25	—	.....
E St. Louis	—	.....	*17	.....

* Cents per lb. † On previous unofficial close. ‡ Sterling price unavailable owing to lack of exchange rates.

SILVER

Silver was fixed 0.1p an ounce higher all-round at the London bullion market fixing, with spot at 65.4p (U.S. dollar equivalent not available). A fair business was done, with prices easing about 0.4p during the afternoon.

SILVER (per troy oz.)	Bullion fixing (selling prices)	+ or −	LME close	+ or −
Spot	65.4p	+0.1	65.05p	—0.2
3 months	66.5p	+0.1	66.25p	—0.25
6 months	67.9p	+0.1	—	.....
7 months	—	.....	66.1p	—0.25
12 months	70.7p	+0.1	—	.....

LME—Turnover 14 (65) lots of 10,000 ozs. Morning: Cash 65, 4, mid-Nov. 66.1, three months 66.6. Kerb: Three months 66.6. Afternoon: Cash 65.1, three months 66.3, 6.1, 6.2. Kerb: [illegible]

this basis rates have kept up fairly well. Soponata took a 37,000-tonner from Persian Gulf to Lisbon on August 28 at Worldscale 65 and Socal took a 50,000-tonner from Persian Gulf to Far East on August 26 at W.57½. In the West, a 19,000-tonner was taken by Petrofina from Caribbeans to USAC on Aug. 25 at W.102½, option transatlantic at W.85.

COCOA

The tone was steady on modest turnover, with actuals business still inhibited by currency difficulties, reports Gill and Duffus.

COCOA	Yesterday's Close	+ or −	Business Done
No2Contract			
September	242.0-2.5	+2.8	240.5-2.5
December	249 0-9.5	+2.0	247.5-50.0
March	253.5-4.0	+1.5	253.0-4.5
May	257.0-7.5	+1.5	256.0-7.5
July	260.5-1.0	+1.8	259.0-61.0
September	264.0 4.5	+1.0	264.0-4.5
December	268.0-9.0	+1.0	268.0-8.5

Sales: 3,374 (4,157) lots of 5 tons each.

COFFEE

Dealings were extremely light, due to the precarious monetary situation and its possible influence on the outcome of the current ICO meeting. The market closed about steady with business in origin physicals mainly centred on Brazil for Sept.-Oct. shipment at around previous traded levels.

COFFEE	Yesterday's Close	+ or −	Business Done
	£ per ton		
September	376.0-7.0	—0.25	375.5-7.0
November	358.0-8.5	—0.75	358.0-8.5
January	352.5-3.0	—1.0	352 0-3.5
March	348.0 8.5	—1.5	348.0-8.5
May	345.5-6.0	—1.5	345.5
July	343.0 3.5	—1.0	342.5-3.0
September	340.5-1.0	—1.0	340 0 1.0

Sales: 204 (256) lots of 5 tons each.

Latest published ICO indicator prices (U.S. cents per pound). Colombian Mild Arabicas 49.25 (same). Other Milds 45.75 (same). Unwashed Arabicas 42.00 (same). Robustas 42.07 (42.13). Daily average 43.69 (43.71).

COTTON

Unchanged, reports Eccles and Stern.

(New pence per kilo)

COTTON	Yesterday's Close	+ or −	Business Done
October	30.40-.80	....	—
December	30.40-.80	....	—
March	30.40-.80	....	—
May	30.40-.80	....	—
July	unquoted	....	—

Turnover 0 (0) lots of 10,000 kilos each. Strict middling 1 1/16 inch. Pressley 78,000 lbs square inch micronaire 3.5-4.9.

LIVERPOOL—Spot and shipment sales amounted to 42 metric tons, bringing the total for the week to 473 tons, reports F. W. Tattersall. Dealings remained light in the face of monetary complications. A few orders were placed in Turkish and African qualities.

RUBBER

ABOUT UNCHANGED at the opening, little to no interest throughout the day, closing very quiet. Lewis and Peat reported [illegible] Malaysian godown price [illegible] (buyer, September).

No. 1 R.S.S.	Previous Day's Close	Yesterday's close	Closing buyers' prices	Business Done
C.I.F.	[illegible]	[illegible]	[illegible]	[illegible]
Sept.	not avail.	13.6-.75	13.8	—
Oct.	not avail.	13.9-14.0	13.85	—
Landed				
Spot	—	14.15-.4	14.15	—
Oct.	—	14.2-.5	14.3	—
Nov.	—	14.3-.65	14.4	—
Dec.	—	14.5-.75	14.5	—
Jan.-Mar.	—	14.85-.95	14.8	—
Apr.-Jne.	15.1-.15	15.05-.2	15.1	—
Jly.-Sept.	—	15.35-.6	[illegible]	—
Oct.-Dec.	17.75	15.7-.8	17.7	—
Jan.-Mar.	—	18.1-.5	18.0	—
Apr.-Jne.	—	19 3 5	[illegible]	—
Jly.-Sept.	—	19.5-.8	[illegible]	—
Oct.-Dec.	—	19.8-20.0	[illegible]	—

Malayan thick crepe Sept. 29.4* (seller). Ceylon thick crepe Sept. 22.75 (seller).

COCONUT OIL

Quiet and untraded, reports G. W. Joynson. Close: Sept. £123-£129 (same), Nov. £122-£125 (same), Jan. £121-£127 (same), March £120-£125 (same), May £119-£124 (same), July £122-£122 (same). Turnover 0 (0) lots of 20 tons each. Price basis ex-tank Rotterdam.

FREIGHTS

DRY CARGO—Continued uncertainty over currency again restricted activity but as a result of a tender three wheat cargoes were booked from the St. Lawrence to USNH and Pakistan at $14.50 for Sept. loading.

OIL TANKERS—Still fairly inactive but with more inquiry from independent oil companies. The market is still overshadowed by a large amount of relisting of tonnage by major oil companies, including BP, Shell, Esso and Gulf. On

GRAINS

THE BALTIC—Trading was at a virtual standstill with sellers still generally reserved.

Wheat, maize and barley—All prices unquoted due to currency uncertainties.

MARK LANE—Average ex-farm sellers' quotations per long ton for prompt delivery London area: Wheat—Soft milling £24.25-£24.75; Semi-hard and Hard unquoted. Feed £24.25-£24.75. Barley—Malting £25.00-£31.00 as to quality; Feed (standard) £22.50-£23.00. Oats—Milling £22-£22.75; Feed unquoted.

LONDON HOME GROWN FUTURES—Wheat, [illegible] Close: [illegible] 24.850, [illegible] 27.050, [illegible] 25.825, [illegible] steadier. [illegible] Jan. 24.[illegible] Business: [illegible] 24.425, [illegible] 26.080.

HGCA—Location average ex-farm spot prices. [illegible] Feeding barley—Hitchin [illegible]

SOYABEAN OIL

Untraded, reports G. W. Joynson.

Soyabean Oil	Yesterday's Close	+ or −	Business Done
	£'s decimal long ton		
September	140.0-44.0	—	—
November	130.0-5.0	—	—
January	127.0-30.0	—	—
March	133.0-5.0	—	—
May	133.0-5.0	—	—
July	117.0-31.0	—	—
September	[illegible]	—	—

Turnover 0 (0) lots of 20 metric tons each. Price basis ex-tank Rotterdam.

SUGAR

LONDON DAILY PRICE—Unchanged at £43.50 a ton c.i.f. for Aug.-Sept. shipment.

Heavy selling was the main feature of the day, reports C. Czarnikow. Prices held to a 10 points range all day until the closing call, when some selling took prices to the day's lows.

Sugar Pref. Comm. Con.	Yesterday's Close	Previous Day's Close	Business Done
	£ per ton		
Oct.	44.50-55	44.85-45	44.40-.75
Dec.	44.75-80	44.60-65	45.00-44.50
Mar.	45.65-90	45.75-85	[illegible]
May	44.85-90	45.25	[illegible]
Aug.	45.20-50	45.15-.35	[illegible]
Oct.	45.20-50	45.15-.35	[illegible]
Dec.	44.85-45.00	[illegible]	[illegible]

Sales: 1,631 (1,336) lots of 50 tons each.

Tate and Lyle's ex-refinery prices for granulated basis white sugar was £4.24 (same) for home trade and £39.50 (same) per ton for export.

SUNFLOWER OIL

Quiet, reports G. W. Joynson.

Sunflower Oil	Yesterday's Close	+ or −	Business Done
	£'s per long ton		
September	160.0-3.0	—	—
November	160.0-3.0	—	—
January	161.0-4.0	—	—
March	155.0-8.0	—	—
May	156.0-9.0	—	—
July	156.0-9.0	—	—
September	156.0-9.0	—	—

Turnover 0 (0) lots of 20 metric tons each. Price basis ex-tank Rotterdam.

JUTE

DUNDEE—Steady with prices unchanged. Prices c.i.f. U.K. for Aug.-Sept. shipment: BWB £154, BWC £146, BWD £137, Tossa: BTB £162, BTC £154, BTD £144. Calcutta goods steady. Quotations c. and f. U.K. for August shipment: 10-ounce 40-inch £7.94, 7½-ounce £5.29 per 100 yards Sept. £8.00 and £5.32; Oct.-Dec. £8.13 and £5.40. "B" twills £18.04, £18.22 and £18.52 for the respective shipment periods. Yarns and cloths quiet but prices firm.

LONDON—Quiet. BWC grade Sept.-Oct. £146.50 seller, BWD grade Sept.-Oct. £137.50 seller, 4 tons.

CALCUTTA—Steady. Indian spot Rs. 380 value, Dundee Daisee spot Rs. 360 value. A bale of 400 lbs.

WOOL FUTURES

MERINOS—Market neglected, reports Bache.

(New pence per kilo)

Dry-combed wooltops	Yesterday's Close	+ or −	Business Done
October	81.0-2.0	—	—
December	82.0-3.0	—	—
March	82.5-3.0	-0.75	83.0
May	83.5-5.0	-0.1	—
July	84.5-5.0	-0.1	—
October	85.0-6.0	-0.1	—
December	85.5-6.0	-0.1	—

Turnover 1(0) lots of 2,500 kilos.

SYDNEY—Irregular. Close: Oct. 137.4-137.5, Dec. 138.6-138.7, March 142.6-142.8, May 144.7-145.0, July 145.8-147.1, Oct. 148.3-148.5. Sales: 74.

MEAT/VEGETABLES

SMITHFIELD—Beef: Scottish killed sides 17.5 to 20.0, Ulster hindquarters 22.0 to 22.0, forequarters 12.0 to 13.0, Eire hindquarters 20.5 to 22.1, forequarters 11.7 to 13.0. Argentine chilled boneless cuts: strip loins 41.0 to 47.0, rumps 36.7 to 39.7, top sides 31.7 to 33.1, silversides 28.7 to 29.0, thick flanks 28.7 to 30.0, ponies 30.0 to 30.5.

Veal: English fats 27.5 to 32.0, fats (high quality) 34.0, hobbs 14.0 to 17.5, mediums 15.0 to 15.0, bobbies 10.0 to 12.0, Scottish bobbies 8.5 to 12.0.

Lamb: English medium 13.5 to 16.7, heavy 10.8 to 13.0, Scottish medium 12.5 to 15.5, heavy 10.8 to 13.5. Imported frozen: New Zealand PL's 11.3 to 14.2, PM's 12.5 to 13.1, 2's 11.7 to 12.5, YL's 11.7 to 12.5.

Pork: English, under 100 lbs 10.0 to 15.0, 100-120 lbs 10.4 to 14.2, 120-160 lbs 10.0 to 12.5, 160-180 lbs 10.0 to 11.3, 180 lbs and over 9.5 to 10.8. Eire, all weights [illegible]

COVENT GARDEN—Imported produce: Grapefruit—South African: 32 £2.30-£2.35, [illegible] Oranges—Brazilian: [illegible] [illegible] Lemons—Italian: [illegible] Cypriot: [illegible] Grapes—Italian: [illegible] Spanish: [illegible] Peaches—Italian: [illegible] French: [illegible] Plums—Italian: [illegible] Apricots—[illegible] Apples—[illegible] Tomatoes—Guernsey: per pound [illegible] Onions—[illegible] Capsicums—Dutch £0.10.

English produce: Potatoes—per 56 lb [illegible] Lettuce—per 12 [illegible] Cucumbers—per tray 12/24 [illegible] Cauliflowers—per 12 [illegible] Tomatoes—per 12 lb [illegible] Carrots—per bag [illegible] Beetroot—per bag [illegible] Apples—[illegible] Pears—[illegible] Plums—Early Rivers/Czars [illegible] Blackberries—per pound [illegible] Runner beans—per pound [illegible] Parsnips—28 lb [illegible] Damsons—per pound [illegible]

COPRA—Philippines/Indonesia: Sept. $181, Oct. $186, Nov. $190, Dec. $[illegible] resellers.

GRIMSBY FISH—Fair supply and moderate demand. Prices per stone: Shelf cod £1.60-£1.65, large haddock £1.60, small haddock 70p, medium plaice £2.10, coalfish 40p.

HIDES—London: Poor sale, with little interest. Second clear ox 26½-30½ kilos 15½p, 31-35½ kilos 14½p, 36 kilos and over 14½p. Cows 25.5 kilos and under 14.5p. First clear calf under 4 kilos, none offered. † withdrawn. * No bid.

PRICE CHANGES

Prices per ton unless otherwise stated.

	Aug. 19 1971	+ or −	Month ago
Metals			
Aluminium (a) (x)	£257.28	....	£257.2
Copper			
Cash Wire Bars (x)	£448.75	....	£446.75
3 months do. do. (x)	£458.75	....	£456.75
Cash Cathodes (x)	£437 7½	....	£436.5
3 months do. do. (x)	£447 75	—0.5	£446.75
Gold ......Troy ozs.	$43.35	—0.02½	$41.25
Lead, Cash, (x)	£105.5	—0.25	£108.375
3 months (x)	£107 875	....	£111.625
Nickel (x)	£1,246.5	....	£1,246.5
Platinum (b)troy oz	£50	....	£50
Freemarket	£47.50*	....	£45½-9½
Quicksilver (76 lbs).	£212	....	£212
Silver Troy oz	65 4	+0.1	53.8p
3 months	66 6	+0.1	55.1
Tin Cash(u)	£1,410.5	....	£1,458
3 months (u)	£1,424	—3	£1 465.5
Wolfram 22.04lbcif.	£16 7¾	—1/8	£19-20.25
Zinc Cash(u)	£131 875	—1	£135.125
3 months (u)	£135.125	—0.75	£137.875
Producers(u)	£150	....	£150
Oils			
Coconut, Malayan	‡	....	£147
Groundnut 5.5%	‡	....	£190
Linseed Crude	‡	....	£110
Palm-Malayan	‡	....	‡
Soyabean x	‡	....	$335
Seeds			
Copra, Philipp. ton	†$181(y)	—4	$194½
Gr'ndnuts Niger'n	‡	....	£103
Linseed Can No. 1	‡	....	£48.30
Grains			
Barley			
Can No. 2	‡	....	£25.25
Home Futures	£23.675	+0.15	£23.875
Maize			
No. 3 Yellow Am.	‡	....	£26.20
S.A. Yellow Flint	‡	....	‡
Wheat			
No. 2 Manitoba	‡	....	£31.75
No. 2 Hard Winter	‡	....	£30.20
Australian	‡	....	£29.50
English Milling	£24.25-.75	....	£24-½
Cocoa Shipmt (x)	£248.5	+1.5	£243.50
futures Dec.	£249 25	+2	£255.75
Coffee Shipment (c)	‡	....	38.00
futures Nov.	£358.25	—0.75	£368.25
Cotton Liverpool cif index cents per lb.	56.40	—0 0	53.90
Jute LJA PWC	†£148.50(p)	....	£147
Rubber......Kilo	13.9p	—0.55	14.65p
Sisal BA 3L (x)	£62	....	£76-79
Sugar	£43.50	....	£42.50
Wooltops64s...Kilo	83p	....	90p
Cloves	‡	....	78½p
Pepper White...ton	†£475(r)	....	£480
„ Black...ton	†£372.50(r)	....	£360

* Nominal. † Seller. ‡ Unquoted. § Unofficial close. ✦ Indicative price. a Canadian delivered U.K. b U.K. and Commonwealth refined. c Uganda Robusta grade 10 unwashed f.o.b. Mombasa cents a pound. d Pakistan white "B." w Ex-warehouse. x C.i.f. U.K. u Metric tons. t Aug. v Sept. j July-Aug. m Aug.-Sept. q Oct.-Nov. o Nov.-Dec. p Sept.-Oct. r Jan.-Feb. n Dec. h Dec.-Jan. z Feb.-March.

INDICES

FINANCIAL TIMES

Aug. 19	Aug. 18	Month ago	Year ago
83.54	83.69	85.64	89.36

(Base, July 1, 1952=100)

REUTER'S

Aug. 19	Aug. 18	Month ago	Year ago
519.8	522.3	521.7	560.6

(Base, Sept. 18, 1931=100)

DOW JONES

Dow Jones	Aug. 19	Aug. 18	Month ago	Year ago
Spot	141.58	141.75	142.00	148.43
Futures	141.50	141.18	145.13	144.56

(Average 1924-25-26=100)

MOODY'S

Moody's	Aug. 19	Aug. 18	Month ago	Year ago
Sple Commd'ty	365.0	366.4	372.0	415.1

(Dec. 31, 1931=100)

U.S. Markets

NEW YORK, August [illegible]

SUGAR eased on trade selling and [illegible] long liquidation. Trading in silver [illegible] sumed with prices showing little [illegible] tion to move either way. After a [illegible] start, copper advanced on Commi[illegible] house buying to penetrate chart [illegible] Quiet conditions prevailed on [illegible] markets and the soyabean complex [illegible] confusion regarding President Nix[illegible] policies. Negative factors were uncer[illegible] ties concerning the Yen and the [illegible] Coast dock strike. Bache reports.

Cocoa—Bahia spot 26½ (same). [illegible] spot 28½ (same). Sept. 25.54 (25.32), [illegible] 25.95 (25.80), March 26.43, May 26.75, [illegible] 27.08, Sept. 27.42, Dec. 27.77. Sales, [illegible]

Coffee—Santos No. 2/3 unquoted (same), Santos No. 4 42.50 asked (same) Colombian Mams 48.35 asked (same).

Copper—Sept. 51.90 (50.80), Oct. [illegible] 50.90), Dec. 52.40, Jan. 52.60 settlements. Sales, 2,166 lots.

Cotton—Contract No. 1 Nov. 24.00 (same). Jan. 24.50 bid (24.00 bid). [illegible] 22.00 nom., June 22.00 nom. Contract [illegible] Oct. 30.75-30.85 (30.45), Dec. 31.4[illegible] (31.20-31.26), March 32.25, May [illegible] 32.63, July 32.43-32.53, Oct. 30.23-30.25, [illegible] 29.85.

§§Cottonseed Oil—Sept. 17.05 bid (same), Oct. 16.60 bid (same), Dec. 16.35 bid, [illegible] 16.35 bid, March 16.35 bid, May 16.35 [illegible] July 16.35 bid, Sept. 16.35 bid. Sales, [illegible]

ΦGreasewool—Spot 56.0 nom. [illegible] Oct. 63.2 (63.0-64.0), Dec. 66.5-67.9 [illegible] 67.3), March 72.0-72.8, May 72.5-73.5, [illegible] 73.6-73.9, Oct. 74.5, Dec. 76.0-76.5.

†Lard—Chicago loose 11 nom. [illegible] N.Y. drummed 14 nom. (same).

††Maize—Sept. 125¼ (125¼-125½), [illegible] 122¼-122 (123¼-123½), March 126¼, May [illegible] 129¼, July 132¼.

‡Mercury—Closed.

‡‡Silver—Spot 160.50 (161.60), [illegible] 159.90, Sept. 160.30, Oct. 161.40, [illegible] 163.60, Jan. 164.70, March 167.00, [illegible] 169.30, July 171.60, Sept. 173.90, [illegible] 177.40 settlements. Sales, 2,252.

*Soyabeans—Aug. 328½-325 (336½-3[illegible]) Sept. 326½-328½ (334½-333½). Nov. 324-3[illegible] Jan. 326½-328½, March 332½-333, May 3[illegible] July 336¼.

bSoyabean Meal—Aug. 80.00-80.15 (8[illegible]) Sept. 80.30-80.40 (82.30-82.50), Oct. 8[illegible] 80.25, Nov. 80.00-80.30, Dec. 80.35, [illegible] 80.35-80.30, March 80.90-81.00, May 81[illegible] 81.60, July 82.60-82.70.

§Barley—Oct. 109½ (same), Dec. [illegible] asked (same), May 107½ bid.

dFlaxseed—Oct. 238½ bid (239 bid), N[illegible] 239 (239½ asked), Dec. 235½, May [illegible] asked.

Tin—164.63 asked (same).

Wheat—N. Manitoba No. 2 177½ (17[illegible])

WINNIPEG—August 19—dRye—Oct. [illegible] bid (99½), Dec. 96½ (97½), May 99½ asked.

cOats—Oct. 69½ (same), Dec. 69 [illegible] (69½), May 70½ bid.

**Wheat—Sept. 143½-143 (143½), D[illegible] 146½-146½ (146½-146½), March 146½, M[illegible] 147½, July 140.

Sugar—Contract No. 11 Spot 4.40 (4.[illegible]) Sept. 4.50-4.51 (4.50 asked), Oct. 4.5[illegible] (4.50-4.52), Jan. 4.71 nom., March 4.[illegible] (4.80-4.83), May 4.79, July 4.75-4.74, Sept. 4.70, Oct. 4.70. Sales, 3,236.

Soyabean Oil—Aug. 14.66-14.70 (14.[illegible]) 14.16-14.15 (14.29-14.23), Oct. 13.[illegible] 13.76-13.76, Dec. 13.55-13.80, Jan. [illegible] 13.32-13.32, July 13.10-13.12.

All cents per pound ex-warehouse unless otherwise stated. † Cents per 56-lb bushel ex-warehouse. ‡ Chicago loose $'s per 100 lbs—Dept. of Ag. prices previous day. Drummed $'s per 10 lb [illegible] ex-warehouse 5,000-bushel lots. || $'s per 76-lb flask ex-warehouse. * Cents per 60-lb bushel ex-warehouse. ** Cents per 60-lb bushel in store. § Cents per 48-lb bushel ex-warehouse. ‡‡ Cents per troy ounce ex-warehouse. c Cents per 32-lb bushel in store. d Cents per 56-lb bushel ex-warehouse, 1,000-bushel lots. ‡ $'s per short ton for bulk cars. §§ Basis Lubbock, Texas. ⊕ New contract.

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هكذا من الأصل

American News

Argentine crisis on economic policy

y Our Own Correspondent

BUENOS AIRES, August 19.

E resignation, requested by ident Agustin Alejandro usse, of Central Bank presi- t Ricardo Grüneisen is seen as the beginning of a crisis economic policy.

he jettisoning of Dr. neisen, the fourth Central k president in a year, rently was not caused by ident Nixon's new economic y. Observers here see it as ident Lanusse's launching of ttempt to bring definition to ntina's economic policy.

gh O'Shaughnessy writes: fall of Dr. Grüneisen became stinct possibility after the uncement earlier this month complete ban on beef con- tion in the domestic market. removal of one of the staples rgentines' diet—each Argen- n consumes on average 100 of beef per year—was ly popular despite the criti- situation of the country's exports which prompted an.

military

llowing the dismissal earlier year of Dr. Aldo Ferrer, the sionist and nationalist ed Minister of Economy, overnment has been increas- preoccupied by the pheno- n of "estanflación," or stag- n. The rise in the cost of looks likely to exceed 40 cent. this year thus dis- nting hopes that it could ld to less than 20 per cent.

there is little sign of pro- n picking up. Unemploy- remains at a high level. the increasing difficulties Government of General ndro Lanusse is facing in an to work out a "great al accord" in the political e between Peronists and est of the political forces is increasing talk that the ry will be forced to en the political base of the istration immediately or o change the head of State.

Canadians seek exemption from import surcharge

BY GUY DE JONQUIERES

WASHINGTON, August 19.

A HIGH-LEVEL Canadian delegation, led by Finance Minister Edgar Benson, arrived in Washington to-day in an attempt to persuade the U.S. to exempt Canadian products from the new 10 per cent. import surcharge.

As the U.S. largest trading partner, Canada is seriously concerned at the impact of the new trade barrier on its foreign trade balance. It is estimated that it will affect about one quarter of its exports to the U.S., which have been running at an annual rate of well over $12,000m. so far this year.

"Tough guy"

In confronting the U.S. Administration, the Canadians are *able to point to a record as* "good neighbours" in their policies on trade, economic relations and monetary affairs. They are expected to ask the U.S. to recognise this by making special concessions for them in the implementation of the surcharge.

First indications, however, suggest that they will meet with a sympathetic but negative reception. The Treasury Secretary, Mr. John Connally, who is receiving the delegation, hinted strongly on television this morning that he will reject outright any request to lift the surcharge.

The Administration's attitude appears to be that the surcharge must apply equally to all countries, since any move to make special concessions to one will only lead to a strengthening of pressures from abroad for similar treatment.

In particular, the Administration seems determined to maintain the "tough guy" image which it has created for itself in entering the confrontation which is gradually building up with Japan, where the bargaining is likely to be a good deal harder than with Canada.

Canada at present has a strong surplus on its trade with the U.S. During the first six months of this year, its exports amounted to $6,387m., while imports from the U.S. came to $5,216m. Mr. Connally is thus likely to argue that Canada's external position is strong enough to bear the burden of the American barrier.

He is also likely to point out that proportionately, Canadian exports are likely to be less *affected than those of other* countries by the surcharge, which covers approximately 50 per cent. of all American imports. This is due partly to the fact that a number of product categories are already exempted from any tariffs. For instance, cars manufactured by U.S. motor *companies in Canada and* imported into the U.S. are free of American duties under a long-term bilateral agreement.

Apart from fears of a deterioration in its foreign trade balance, the Canadian Government is particularly concerned that the imposition of the surcharge will lead to a fall in production and a consequent rise in unemployment, which is currently well above 5 per cent.

It is expected to argue that Canada imposes no restrictions at all on U.S. goods coming into the country that it has traditionally shown a sympathetic and co-operative attitude in economic and diplomatic dealings with the U.S. One example of this, it is likely to point out, was the decision last year to *allow the Canadian dollar to* float up on the foreign exchange markets, where it is now where it was at a premium of about eight per cent. above the U.S. dollar before this week's market closures.

The Canadian reaction to President Nixon's measures is in many ways reminiscent of the reaction of Mr. Lester Pearson's Government back in January, 1968, to the "save the dollar" programme of President Johnson. The Canadian economy was far weaker then than it is to-day and *at first sight it seemed* that Mr. Johnson's measures would be applicable to Canada as well as to the rest of the world; the Canadian dollar then sank to its knees, top level delegation flew from Ottawa to Washington and, with a huge sigh of Canadian relief, the U.S. Government agreed to exempt Canada.

Mutual fund redemptions for third month exceed sales

BY JUREK MARTIN

NEW YORK, August 19.

REDEMPTIONS of mutual funds exceeded sales for the third consecutive month in July. Although the stock market surge of this week *will probably mean that* this position will change in August, this summer trend has been of fundamental concern to the mutual fund industry.

The figures for July show a net outflow from mutual funds of $72.3m., according to the investment company institute, which tabulates the industry. Sales in the month came to $371.3m., well below the $434.3m. of June, while total redemptions amounted to $443.6m., also below June's $466.7m.

Total assets

Thus the net outflow last month was more than double the $32.4m. recorded in July. In May, the excess of redemptions over sales came to $121m.: this was the first month since the investment company institute began listing the performances of the funds in 1964 that an outflow had occurred.

Other key statistics show that in July the funds' cash position rose to 5.6 per cent. of total assets, compared with 5.3 per *cent. in June and 4.9 per cent. in* May. Total assets at the end of last month stood at $51,400m., down, from the $53,600m. of both June and May.

There are a number of underlying causes to the decline that may or may not become academic if the stock market does launch a sizeable rally. The most obvious, of course, is investor apathy. The gradual fall in the stock market before this week's events was noticeable for the market absence of the participation on the markets of the small investor, who appeared, for the time, to be thoroughly disillusioned by the equity markets.

The second factor can be traced through the erratic but general fall off in new sales, which many mutual fund experts have attributed to the recent reforms which have cut sharply into the commissions that may be paid to *fund salesmen. The peak for* monthly sales was reached in the first quarter of 1969, just before the bear market took its hold.

The effect of the reforms has *been particularly noticeable in* "front end load" or "contractual" fund plans. Fund buyers have been able to spread out over longer periods the charges they previously had to pay initially, while the fund salesmen have had to wait commensurately longer to receive their commissions. The inference is that fund salesmen have lost much of the incentive they once had for aggressive pursuit of customers. Indeed, a number of mutual funds have dropped front end load programmes from their business.

However, the majority of fund experts tend to lay their temporary problems at the door of the lack of confidence in the equity markets. They are optimistic now that President Nixon has restored this vital ingredient though whether their optimism is premature or not *remains to be seen.*

COSTA RICA

Figueres loses his old fire

BY ALAN RIDING, CENTRAL AMERICA CORRESPONDENT

THE OLD myth that Costa Rica is *the* leftist country of Central America must surely have been laid to rest by the recent public outcry at the prospect of an exchange of ambassadors between Moscow and this tiny mountainous republic.

None of the five Central American nations has full diplomatic relations with the Soviet Union and the Costa Rican Government's plan to be the first has been smothered by a powerful coalition of businesmen and the Catholic Church.

Ever since he came to office in May 1970, 64-year-old President José "Pepe" Figueres has been toying with the idea of allowing a Soviet Embassy to be opened in San José in exchange for an agreement by Moscow to buy more of Costa Rica's surplus coffee. Negotiations through the Soviet Embassy in Mexico City were so advanced that a date—*August 20—was set for the* arrival of the new Russian Ambassador. But the uproar, led by a right-wing group called the Free Costa Rica Movement, forced the Government to concede late last month that "the climate is not propitious" for the opening of a Soviet Embassy in San José.

Long-awaited

Although President Figueres has always interpreted the proposal in strict economic terms, the Free Costa Rica Movement felt Moscow was being given a long-awaited foothold to carry out subversive and intelligence activities in Central America. The Costa Rican Communist Party said that, since Moscow was formally recognised 30 years ago, the right was merely trying to create an atmosphere of hys*teria in the country.*

The row, about the only political issue in Costa Rica in the past year, has produced an extraordinary number of divi*sions and turnabouts within the* establishment.

For a start, "Pepe" Figueres, who was one of the "New Left" leaders of Latin America during his first term in office between 1953 and 1958, is now as strong an anti-Communist as can be found, and he never misses an opportunity to reaffirm his friendship with the U.S. "This diplomatic recognition in no way shakes our loyalty to the United States or to the democratic cause," he said recently. "People everywhere are tired of the Cold War. Russia controls half of Europe and we want to make the Russians drink coffee instead of tea."

Yet, almost unbelievably, Figueres' sponsorship of the plan to open full diplomatic relations with Moscow led to a wave of rumours in San José early this year that the CIA was plotting his overthrow. Although this was never proved, the local intelilgence chief, Earl J. Williamson, who was known to oppose the proposal for relations with Moscow, was withdrawn *from Costa Rica under a cloud* in February.

Foreign Minister Gonzalo Facio, who challenged Don Pepe for the National Liberation Party's presidential nomination, was also opposed to the establishment of a Soviet diplomatic mission in Costa Rica. At one time, journalists interviewing Figueres and Facio successively were given different stories on the state of negotiations with Moscow. And when the Mexican Government expelled five Soviet diplomats in March this year for alleged connivance in guerrilla activities, Facio wasted no time in declaring that Costa Rica would have to reconsider its plan to allow Soviet diplomats into the country.

More recently, the Catholic hierarchy has joined the opposition to the move on the grounds it would cause problems. Even a personal explanation by Figueres to the Bishops did not prevent them from campaigning publicly against the proposal. Ironically, U.S.-owned banana companies in *Costa Rica are in favour of the* move since it could give them a good sales opportunity in the Soviet Union. The feeling is that, if full relations were established with Moscow, Russia would not only buy more than the 300,000 *quintals (100 lb bags) of coffee* of recent years, but would also purchase a considerable supply of bananas. In exchange, Costa Rica would buy an unspecified *amount of Soviet machinery.*

Costa Rica's need to find new markets is urgent because of its large trade deficit—$192.4m. of exports against $253.3m. of im*ports in 1969. With its market* for coffee restricted by the International Coffee Agreement, it has little choice but to look to Eastern Europe to buy up its *coffee surplus.* Within the shaky Central American Common Market, it also feels it is getting a raw deal and even temporarily placed a tariff on certain goods coming from Guatemala, El Salvador and Nicaragua in June. After negotiation, the duty was lifted, but Costa Rica is still unhappy about its $23m. trade deficit with the other Central American Republics. Its main trading partner is, of course, the United States, but its primary products face the same protectionist barriers there as those of *other developing nations.*

Domestically, Costa Rica's serious social problems are being made more acute by the high birth rate. Although its per capita income exceeds $400 —higher than elsewhere *in* Central America—and its population is still only about 2m., the 3.7 per cent. population growth rate is bringing serious problems, *particularly to the* rural sector, where there is already high unemployment and extensive poverty.

President Figueres seems fully aware of his country's situation and is trying to mould a coalition of the business sector and the labour movement to tackle the problems. "I have told the labour leaders that if they want to cut off the heads of the businessmen, they can go ahead, but it will mean 50 years of poverty for Costa Rica," he said after his election. "I tell the *businessmen that if they don't* take responsibility *for* finding solutions to poverty and unemployment, they will not escape another Cuba here."

Yet Don Pepe's low-key commonsense approach has not been particularly well received at home. Closer relations with Moscow for commercial reasons are logical, but there is hysteria within the establishment: higher taxes are necessary but strongly opposed by businessmen: and foreign investment is needed to exploit Costa Rica's minerals, but the Left denounces Alcoa's involvement in nickel. "We Latin Americans have an incurable illness," Figueres said recently, "we live a political campaign all the year round."

Figueres still seems committed to social reform, although he has unquestionably lost some of his old intensity. In the Fifties, he was one of the strongest opponents of the dictatorships of Anastasio Somoza in Nicaragua and Fulgencio Batista in Cuba. Now he constantly denounces the Castro regime in Cuba, but he has mellowed and even has cordial relations with Nicaragua's present President Somoza, the youngest son of his old enemy. *Perhaps it just means Don* Pepe's energies are now concentrating on domestic affairs.

Troubles

But if Costa Rica has troubles, it has "Costa Rican-sized" troubles that cannot compete with those of its Central Ameri*can neighbours. From the* inside, things sometimes may look tense, but from afar Costa Rica still stands out as a haven of sanity in a troubled region. In all the other countries of the area, including Panama to the south, the Army is either in the National Palace or effectively running the affairs of State. Costa Rica, on the other hand, has had no army since Figueres led the overthrow of a Communist-infiltrated regime 23 years ago. In Costa Rica there is also a genuine—and rare in *these parts—atmosphere of free*dom, where people of all political tendencies can express their views without fear of a knock on the door at midnight.

GM URGED TO RECALL CORVAIRS

NEW YORK, August 19.

THE CONSUMER'S Union urged the recall by General Motors Corporation of some 900,000 Chevrolet "Corvairs" now on the road.

The organisation cited a heater defect which it claimed is liable under certain conditions to blow carbon monoxide fumes into the passenger compartment.

Reuter

Permanent organisation for Intelsat

WASHINGTON, Aug. 19.

REPRESENTATIVES of some 40 countries will meet Friday to *sign an agreement creating a per*manent organisation known as Intelsat for worldwide satellite communications by television, telephone and telegram.

The permanent organisation is expected to begin full-fledged operations next spring, which officials expect that 54 countries, two thirds of the 80 member states *which negotiated the agreement,* will have formally ratified and signed it.

The signing ceremony on Friday at the State Department will come exactly seven years to the day after eleven countries created the interim Intelsat arrangement. *The agreement for a per*manent organisation was reached here May 21 after two years of difficult negotiations during which other nations succeeded in dilut*ing the overwhelming American* control of the operation which had been in effect during the interim period

The interim system began operation soon after its first satellite, "Early Bird" was launched in 1965. *Intelsat now has seven* satellites over the Atlantic, Pacific and Indian Oceans. There are 50 earth stations for communications via the satellites.

UPI

Export News

Expansion moves by Henry Sykes

Financial Times Reporter

HENRY SYKES, which manufactures pumping equipment for civil engineering contractors, local authorities and industrial users, has announced two developments in its policy of expansion into overseas markets.

In the U.S., the company has purchased from Hanson Trust the entire share capital of Pump Rentals, a marketing company set up in 1969, by Hanson Trust, for the sale and hire of Sykes Univac and Velovac pumps throughout the U.S. The company has been purchased as a going concern with existing staff based in the Philadelphia area.

In the Common Market, the company has formed Skyes Pumps SA based in Renaix, Belgium, where the full range of Sykes' equipment is available to customers for sale and hire.

Clean living

WALKER CROSWELLER and Co. of Cheltenham, is to supply 345 of its Leonard thermostatic showers for a 22,000 tons cruising ship, being built by "Wärtsilä" of Helsinki, Finland, for the Norwegian ship lines Det Bergenske Dampskibselskab.

Targets chosen for trade push in Denmark

BY DAVID CURRY, EXPORTS EDITOR

PLANS for British consumer goods manufacturers' participation in the British trade drive in Denmark next year are nearing completion, according to the British National Export Council.

As a guide for manufacturers on the activities and arrangements being made for the promotion, BNEC Export Council for Europe, which is organising the event with the Department of Trade and Industry and the British Embassy in Copenhagen, is mailing a leaflet to 6,000 companies giving details of the products where there are promising opportunities for British suppliers

The product groups selected after research by the British embassy are: clothing; footwear; foodstuffs and beverages; cosmetics: hardware and household goods: carpets; sports goods; and leisure equipment and reproduction furniture.

The leaflet also gives details of main buying groups and department stores and information about the British Household Exhibition to be staged in support of store promotions during May, 1972. This exhibition is being co-ordinated by the Department of Trade and Industry and will be held at the Forum exhibition site in Copenhagen. It will provide display facilities for manufacturers of a very broad range of consumer goods and consumer durables.

The British Trade Drive in Denmark, 1972, covers both consumer and capital goods. The promotion for consumer goods will take place throughout the Copenhagen area and in the provinces of Jutland and Fyn.

Denmark has the fifth highest per head import rate in the world. About half of Britain's exports to Denmark (in 1970 they totalled £220m. and during the first six months of this year they were worth £117.4m.) are in consumer goods.

BNEC commented: "An analysis of trade statistics indicates that the 1964 British Week and the 1968 trade drive gave a marked impetus to the expansion of this trade.

"Denmark is a country whose compact size and comfortable standard of living, even distribution of population and sophisticated trading patterns make it especially suitable for organised promotions of consumer goods."

£7m. steel plant order

A CUMBERLAND company has received a £7m. order to supply steelmaking plant to South Africa. The equipment, for the continuous casting of steel, is being made by the Distington Engineering Company at Workington. It is the company's biggest order.

The two continuous casting machines will go into production at Newcastle Steel Works, South Africa, in 1973. Output from the machines will be nearly 1.5m. tons of steel a year.

Distington Engineering has already built three smaller plants in South Africa and is at present building continuous casting equipment worth another £7m. for the Lackenby Steel Works on Teesside.

U.S. market for British airline equipment

Financial Times Reporter

THE British National Export Council's United States Aerospace Committee is staging a presentation on September 2 of the findings of a market survey of U.S. airline and airport equipment.

The audio-visual presentation, to be held at the National Film Theatre, London, will coincide with the publication of a report on the survey compiled by Roy Blumenthal Associates.

The report highlights opportunities for British manufacturers in the supply of equipment to the U.S. air transport industry which, in size and numbers of passengers carried exceeds the combined total of all other Western countries. The authors estimate that one per cent. of the U.S. market is greater than the total British market.

Traffic control

Among areas noted for exploitation by British manufacturers are air traffic control and navigation aids, on which expenditure over the next 10 years is forecast at £100m. British manufacturers of airport lighting equipment which complies with U.S. specifications could also find an enormous market, the report maintains.

Other opportunities include: the supply of passenger loading bridges; baggage handling and retrieval systems: more efficient cargo handling equipment: purpose-made vehicles for towing aircraft, cargo containers, etc.; and larger types of crash, fire and rescue trucks for the Boeing 747s and new air buses.

The report states that many airlines in the U.S. expect an explosion in spending following the current recession.

Copies of the report will be on sale from September 2 at £10 each from BNEC Publications, Dean Farrar Street, London SW1H 0DZ.

Aerospace in Italy

AN AGREEMENT has been signed between Delaney Gallay—a Lindustries company—and Technologie Industriali SPA, of Milan, covering the sale in Italy of encapsulated insulation heat shields and blankets produced for aeronautical use by the British company's works at Biggleswade.

Technologie Industriali is the exclusive distributor in Italy of the aerospace products of Johns-Manville International Corporation, New York.

The British company commented: "This extensive coverage of the Italian aerospace industry is expected to lead to new export markets for the expertise of Delaney Gallay, which is already closely associated with Johns-Manville."

Frank speaking

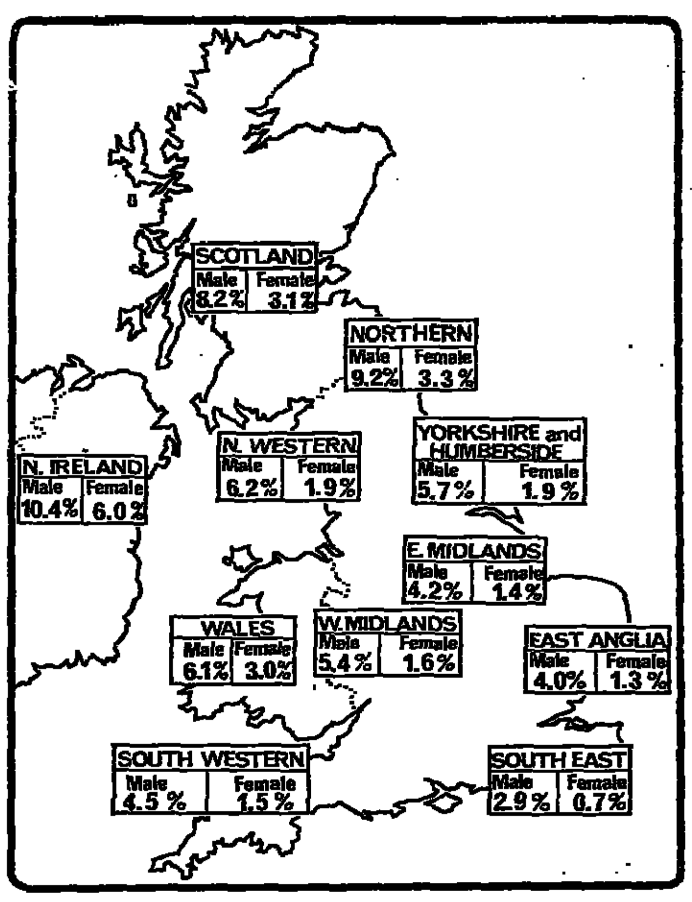
THE U.S. is now the second largest overseas philatelic market for the independent Guernsey Post Office. The president of the Post Office Board, Mr. Peppino Santangelo said yesterday: "We had a disappointing start getting sales off the ground in America, but now, after Germany, it is our largest overseas market."

He said that general sales to collectors and dealers were proceeding "pro rata" with previous periods when, for example, in the 15 months after postal independence (October 1, 1969) philatelic sales made profits of £400,000. The island's philatelic bureau now has 9,000 standing order customers.

The Board announced plans for its special stamp issues in 1972. In February the first set of four stamps depicting Channel Islands mail packet ships will be issued. A later set will include illustrations of British Rail's two present mail steamers the Sarnia and Caesarea.

May 24 is the issue date for the first set with a Guernsey wild flowers scene and on October 25 a further set will show stained glass windows of local churches.

Four churches will be depicted on Guernsey's special Christmas issue this year which will be available from October 27.



The map shows the percentage of men and women workers unemployed in the various parts of the country in August. The national figures for Britain were: men 5 per cent.; women 1.6 per cent.

Fears revived of jobless total topping 1m.

BY OUR LABOUR CORRESPONDENT

THE latest unemployment figures of more than 900,000, combined with continuing reports of redundancies, revived union fears yesterday that the total would reach a million before there is any improvement.

Mr. Vic Feather, TUC general secretary, commented: "It's a dismal lookout for everybody and a depressing prospect for school-leavers—and for university leavers, too, with unemployment on this scale, choosing a career is less than Hobson's choice for many young people. When their hopes are frustrated the nation's future is damaged."

He said if the Government was not alarmed, it ought to be. None of the measures it had taken so far had been strong enough to check the rise in unemployment.

The Government should now be expanding the public works programme it had announced, and seriously considering TUC proposals for a new public investment agency and for extar public enterprise investment, leading the way to more investment in the private sector. "Rising prices and growing unemployment is a mixture which no people can be expected to stomach for very long," he added.

The figures are bound to provoke a storm at next month's TUC conference, for which there is already a spate of resolutions from unions expressing alarm at the level of unemployment and repeating once again their demand for more expansionist economic policies.

For the employers, Mr. John Whitehall, deputy director-general of the Confederation of British Industry, said he expected to see a levelling off in the figures taking place this winter. As the economy "got going" again, he hoped they would go down substantially. They were, he said, "perfectly wretched both in terms of human misery and the economic waste they mean."

Mr. Wedgwood Benn, Opposition spokesman for industry, described the figures as "appalling." "Unemployment has reached crisis proportions," he said. "This crisis will deepen over the winter, ith redundancies coming everywhere, throwing more and more families into anxiety and hardship."

Credit managers' median salaries above £2,500

BY ELSBETH GANGUIN

MEDIAN SALARIES paid to credit managers are above £2,500, and many senior men earn more than accountants of the same age. But most of the credit managers sampled (74 per cent.) by Reed Executive in June were not qualified in the credit control field.

Only the senior credit control specialist in each company was looked at—but even so, while a few had complete or partial accounting or AIB qualifications, the rest had no formal qualifications at all.

A survey by the Institute of Credit Management two years ago had indicated a median salary around £2,000 a year. Therefore, salaries appear to have gone up by 25 per cent. since then.

Reed Executive points out that "there is always a tendency to pay more in the Greater London area, but there are no significant variations outside the Home Counties—unusual in the light of other finance staff patterns.

"This is an unusual profession in that there is hardly any salary escalation with age. Rather is there a rate-for-the-job situation, in which turnover and the volume and value of live accounts are more significant."

Thus median salaries in companies with a turnover of up to £1m. were found to be £2,000 a year. Between £10m. and £20m. turnover the figure was £2,850, while companies with a turnover of £50m. plus paid median salaries around £3,800. Upper quartile salaries were £2,450: £3,160 and £4,640 respectively. For all companies, the median was £3,000.

Reed Executive says that further substantial upward movements—possibly of 12 per cent. to 15 per cent. a year—should be expected. "Our recruitment experience recently indicates that companies are regularly hiring well over the upper quartile figures."

Building society SAYE-linked plan

THE Cheltenham and Gloucester Building Society is starting a SAYE-linked investment plan on September 1 which it says offers savings of up to £140.

Under the plan, investors can place a lump sum (any multiple of £53 up to £1,060) in a special account from which monthly transfers will be made into an SAYE account. The Cheltenham and Gloucester will guarantee an interest rate of 5¼ per cent. (income-tax paid) on funds in these special accounts.

This means, for example, that an investment of £1,060 will provide £1,200 in total transfer to SAYE over five years at the rate of £20 a month (including the £140 saving). At the end of the period the holding will be worth £1,440 and, after seven years, £1,680. Thus, after seven years, £1,060 will have become £1,680, an increase of £620 or 58 per cent.

BEA call for rise in productivity

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

BRITISH European Airways must improve its productivity by 10 per cent. a year over the next three to four years if it is to remain competitive, according to Mr. Henry Marking, chairman.

He tells staff in the latest issue of BEA News that the methods by which the airline aims to achieve this improvement included further cost reductions; an expansion by the airline; streamlining of working methods; and a freeze on staff numbers, although efforts will be made to avoid redundancies.

Cost levels

BEA will also take no definite decision on ordering new "airbus" type aircraft until satisfactory cost levels for 1972-73 can be foreseen, because on present cost levels BEA could not operate such aircraft profitably.

The airline is to set up efficiency teams which will seek ways of cutting costs and improving revenues. "Our aim must be to achieve the first wave of improvements which will result in cost reductions in time to be incorporated in our budget for 1972-73.

"Some changes will have immediate effect, others will be more long-term, but an acceptable budget next year must be the first aim."

The question of any future redundancies would depend entirely upon how efficient the airline could become. The annual cost of each staff member, including earnings, pensions, National Insurance, accommodation and so on was £3,000, so that a redundancy of only 400 could save £1.2m.

Mr. K. G. Wilkinson, managing director, commented that he was confident the 10 per cent. productivity improvement target could be met.

The decision to defer any re-equipment decision virtually the next six months or so—for that is in effect what it means—will be a blow to Lockheed of the U.S., which had been hoping that BEA might be induced to buy its TriStar airliner to help sales and to encourage other airlines to follow suit.

New York ban "could kill Aer Lingus"

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE THREAT by the U.S. to shut Kennedy Airport, New York, to all flights by Aer Lingus, the Irish airline, could destroy the airline, Mr. Michael Dargan, general manager, said in Dublin yesterday.

He was commenting following the announcement that the U.S. would ban Aer Lingus from New York in a year's time if the Irish Government did not withdraw its own prohibition on U.S. airlines landing at Dublin.

Mr. Dargan said that Pan American, Trans World and Seaboard World already had access to two-thirds of the Irish market through Shannon, and wanted the remaining third as well. "Three against one is apparently their idea of fair competition and the U.S. is apparently prepared to use force against us to back them up," he said.

Use of Shannon

But, while the matter still had 12 months to run before the U.S. threat was implemented, Mr. Dargan hinted that the question whether the three U.S. airlines would be allowed to go on using Shannon "may also come up for consideration."

"Entry to Dublin would have minimal effect on the profitability of any U.S. carrier," he said. "It would solve none of their problems but would cost Aer Lingus £750,000 a year in profit at a time when our position is already known to be critical.

"The consequences for Irish tourism, too, should Aer Lingus's ability to promote traffic be weakened, would also be serious as we invest far more in advertisements and sales promotion than all other Irish and foreign agencies combined.

"We are hearing again now of all the thousands of new passengers that our competitors say they will bring into Ireland. Over all the years they have been operating into Shannon we have seen little to support those promises.

"Only last spring you heard and read about the tens of thousands who would be upset if Aer Lingus ceased to operate the losing Shannon-Dublin special connecting service.

"I have been monitoring the actual figures through the summer and even though our competitors have known that this would be done this year, the average number for each flight of directly connecting Pan Am/TWA passengers combined is less than nine. So much for the thousands, but the promises are on again."

Far East freight rates to go up again

BY JAMES McDONALD, SHIPPING CORRESPONDENT

SHIPPING LINES in the Far Eastern Freight Conference and its associated conferences have warned customers that they intend to introduce a general rate increase from January 1 next "which will be substantially higher" than the 10 per cent. rise imposed last February.

Although none of the lines was prepared yesterday to indicate the increase it has in mind it is believed to be at least 15 per cent. Earlier this year the lines gave a warning that the 10 per cent. February increase had been "far from adequate" in meeting the continuing rise in world-wide shipping costs. They have decided that they are unable to absorb these spiralling costs indefinitely.

The Far Eastern Freight Conference has offered to meet customers' organisations—"shippers' bodies"—in the Far East and Europe to explain and discuss the reasons for the proposed increase. A spokesman for the Conference said teams of ship owners' representatives were being selected to meet shippers' councils and trade associations in Europe and the Far East from about mid-September.

"We indicated to shippers earlier this year that we would try to give them as much advance warning as possible with an opportunity for explanation and discussion of any future general rate increase.

The associated shipping conferences of the Far Eastern Conference are the Europe-Japan and Japan-Europe Freight Conferences; the Philippines-Europe Conference; and the Sabah, Brunei and Sarawak Freight Conferences. Together they have as members most of the international cargo shipping lines operating between Europe and the Far East.

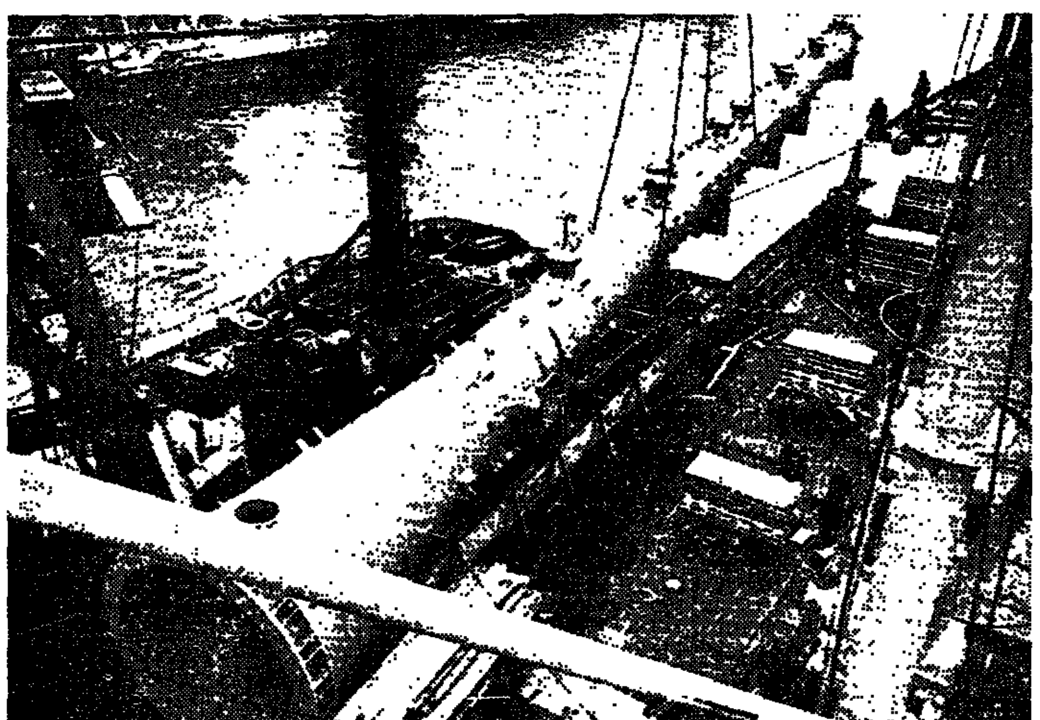
Charterhouse sees gold price increase

THE ultimate solution to the dollar crisis will be an increase in the price of gold, says the Charterhouse Group in the current issue of Business Forecast, its quarterly economic review.

Within days the world will adopt a floating exchange rate system which will force the dollar down against other currencies, it says. Charterhouse expects this to persist for a number of months but such changes were unlikely to be sufficient to solve the basic problem of the continued U.S. payments deficit. In the final outcome, the dollar would devalue against a number of important currencies.

The prospects for expansion of world trade in 1972 remained bright, in spite of the U.S. import curbs. The President's measures had provided yet another stimulus to U.S. production, which had been expanding since early 1971 in any case.

So far as the £ was concerned, 12 per cent. of British exports were to the U.S. and the import restrictions would raise the price of British exports overall by less than 2 per cent. Although the exchange rates would oscillate in the near future, Charterhouse expected that in the longer term the $2.40 rate for the pound would hold.



A 160-foot-long regeneration tower weighing 57 tons being loaded at Manchester on the Strick Line vessel Baluchistan, part of the P & O group. The tower is being shipped by The Power-Gas Corporation, part of the Davy-Ashmore group, and is part of an order to build a £3m. fertiliser complex in Umm Said, Qatar. The plant will have a capacity of 990 tons of ammonia and 1,100 tons of urea fertiliser daily. It is expected to come into operation by mid-1972. Because of the problems of transporting the tower to the docks it was fabricated in three pieces and welded together in an adjacent berth.

BUSINESS IN BRIEF

Focal Displays of New Malden has won an order worth £40,000 to supply almost 15,000 modular display units for the **Ford Motor Company**—55 per cent. of the units will be used in EFTA markets and the remainder in the U.K.

*

The units will be used in accessory shops and showrooms to display the latest Ford Motorcraft accessories including fan belts, wiper blades, electrical spares, tune up kits, spark plugs and oil filters. This is the second major export order of this type won by Focal Displays. Last year the company supplied a similar system of modular display to Ford for the Autolite range of spares. The new range of Motorcraft spares have replaced the existing Autolite brand name and are intended to cover all makes of car. Each modular unit can be used to build-up into a complete free standing sales piece. There are six basic units.

Last year the company's exports accounted for only 7.5 per cent. of output. This year it anticipates a figure of 25 per cent.

*

A £200,000 order for the supply of screw compressors to Poland has been won by **Howden Godfrey**, the compressor manufacturing subsidiary of the **Howden Group**.

The compressors will each handle 17,000 mm³/hour of oil free air and operate at a discharge pressure of 10 kg/cm². are to form part of a high purity nitrogen plant which is being installed at Torun by **Petrocarbon Developments**.

*

As part of its 1972 export drive the **Agricultural Engineers Association** is sponsoring missions or displays at the following shows: The Toronto Show, January 26-29; The Herning Agricultural Show in Denmark, July 5-8; The Paris Agricultural Machinery Exhibition; The Hanover DLG Show, May 28-June 4; The Tel Aviv British Agricultural and Food Processing Exhibition, November 16-25; The Elmia International Trade Fair in Sweden, June 1-6.

In addition, the Association is considering mounting a mission to South Africa during autumn or winter 1972 to review farm machinery opportunities. The itinerary would include Johannesburg, Cape Province, Port Elizabeth, Durban and Angola.

European News

IN BRIEF

CYPRUS—President Makarios has exchanged messages with United Nations Secretary-General U Thant with a view to securing United Nations mediation in the Cyprus intercommunal dispute, according to the Greek-Cypriot newspaper, Eleftheria, to-day. It said the President's aim was to forestall moves to transfer settlement talks to a five-party conference which would include Greece Turkey and Britain—the guarantors of the independence of Cyprus.

ROMANIA: A group of Chinese tourists, led by the Peking Party secretary, has arrived in Romania. They were met on arrival by the Romanian Deputy Minister for Tourism, Mr. Mihai Paralute, and the Bucharest Party secretary, and are the first Chinese tourists to visit Eastern Europe for more than ten years.

SOVIET UNION: Pravda yesterday accused Britain of attempting to prolong its military presence in the Gulf following Bahrain's declaration of independence. A commentary said was realised in London that Bahrain's independence was unavoidable. It was therefore engaged to transfer military units and an airfield from Bahrain to the nearby Sheikhdom of Ras Al Khaimah, it added. "And in order to prolong a military presence in the Persian Gulf region, it was decided to give part of the British forces stationed there the appearance a regular army of the Sheikhdom," it said.

AUSTRIA: Informed sources said the Austrian National Bank is issuing a new series of short-term Treasury bills to mop up excess domestic liquidity, though no details of the new issue or its timing are yet available. About 4,000m. schillings flowed into Austria over the last eight days, both before and after announcement of U.S. economic measures, they added.

WEST GERMANY: Malta will receive four helicopters, three patrol boats to help combat smuggling, a dozen lorries and telecommunication sets as aid, the Foreign Ministry has said in Bonn. A West German expert dry docks will also help realise under-worked port installations.

Four-power talks on Berlin offer hope

BY MALCOLM RUTHERFORD

BONN, August 19.

THE Four-Power talks on Berlin have been adjourned until Monday following a record 14-hour session which lasted until 1 a.m. this morning. According to *diplomatic sources, there is now* a reasonable chance that agreement will be reached in the course of next week, if not on Monday itself.

The optimistic *impression* is *borne out by the statement of* the Four Power ambassadors as they left the Berlin building where the talks take place, in the early hours of this morning. Though as laconic as ever, the ambassadors generally spoke of hard work and good progress. Asked about the question of a settlement, even the British Ambassador, Sir Roger Jackling, who has won the reputation of being the least communicative of the *lot*, went so far as to say: "The chances are always good."

There is still considerable doubt, however, as to what form a settlement will take. The most likely course is that the Ambassadors will agree to initial a draft settlement which will then, without publication, be referred back to the respective Governments for final review. Diplomatic sources say that this review process could take several weeks.

It is understood that the draft settlement is now very nearly complete, but that some final consultations are still needed with the two German States. Mr. Abrassimow, the Soviet Ambassador *to East Berlin, is expected* to have talks with the top East German leadership before the Monday meeting, and the three Western Allies will be consulting with the Government in Bonn.

Reuter reports from Washington: The State Department spokesman said to-day there were still unresolved issues in the Big Four talks on Berlin, but he did not rule out the possibility of an ambassadorial-level agreement on Monday when the talks resume.

Commenting on reports that the ambassadors were near agreement and might wind up their work on Monday, spokesman Mr. Robert McCloskey said progress had *been made as a* result of the recent intensified pace of the negotiations in Berlin.

Reuter adds from West Berlin: Soviet Foreign Minister Andrei *Gromyko has had political talks* in East Berlin in recent days, the East German official news agency disclosed to-night. The agency report was the first mention that Mr. Gromyko had arrived in the city. It did not state when he arrived or whether he is still there.

Romania's emergency meeting

VIENNA, August 19.

ROMANIA to-day suddenly summoned a joint meeting of the Communist Party Central Committee, the State Council and the Government following a meeting yesterday betwen the Soviet Ambassador in Bucharest and the Romanian leader Mr. Nicolae Ceausescu.

The Romanian Agerpress agency to-night said the rare mid-summer meeting of Romania's three highest councils discussed two questions which Western observers said had inflammed relations between Bucharest and Moscow in recent weeks: Romania's independent attitude towards Comecon; and its attitude to-wards China, which has created major and growing mis-*givings in Moscow.*

Yesterday's meeting between Soviet Ambassador Mr. V. I. Drozdenko and President Ceausescu was tersely covered in a six-line communiqué issued by Agerpress, *which described it as "comradely."* This term usually menas that a major row has taken place. A cool meeting between Communists is often denoted by the word "friendly," but a mere *"comradely" meeting* is the lowest level of tolerance in Communist get-togethers.

Western observers could not recall a similar meeting of Romania's three top bodies in the *mid-summer holiday season in* recent years and said it must be regarded as an emergency debate over Romania's deteriorating relations with Moscow.

Tonight's Bucharest communiqué said the three-body session had approved the stand taken atthe Comecon meeting in Bucharest on July 27-29. This was not normal procedure and indicated that a major challenge had been lodged, presumably by the Soviet Union, against Romania's interpretation of achievements at the meeting.

Romanian reports afterwards made it *clear* that *President* Ceausescu and his associates, including Premier Ion Gheorghe Maurer, had again rejected Soviet pressures for economic integration. Romania had re-asserted its principles of non-interference, sovereignty and equal rights and had further insisted upon each country's economic base being developed up to the highest level. Reuter

Sweden, Britain top of league for TV sets

BY MALCOLM RUTHERFORD

BONN, August 19.

BRITAIN is still a more affluent society than West Germany, and is surpassed in Europe only by Sweden, if the criterion applied is the number of television sets per head of population. But at the top end of the league Denmark is making the most rapid advances.

According to figures printed by the German Federation of Radio and Television Industries, Sweden is in first place with 31.04 sets per 100 inhabitants at *the end of 1970. Britain is* second with 29.50, while Denmark has replaced Germany as number three with 27.55. Germany has 26.93, and a rather surprising fifth is Gibraltar with 25.40. France is comparatively well down the league with only 21.11.

The German television industry, however, continues to advance at home, while losing out on exports because of the revaluation of the D-Mark and the devaluation of the French *franc.*

PARIS BOURSE

Overhaul is long overdue

BY ADRIAN DICKS IN PARIS

THE AMERICAN financial community gets down to studying the *implications of Mr.* William McChesney Martin's report on the American securities markets the Paris Bourse in more discreet fashion is also mulling over a series of suggestions designed to revive its fortunes and enhance its economic significance.

It is nearly a month since Wilfrid Baumgartner, former Governor of the Banque de France, former Minister of Finance and current chairman of Rhône-Poulenc, delivered to Giscard d'Estaing the lengthy report on which a committee of leading bankers, brokers and businessmen under his chairmanship had been working since March.

Second rank

But the concern of successive French Governments with reforming the stock market goes back over a much longer period, that the Bourse has become somewhat *used to the reproach* that it has failed to channel the smaller saver's money away from property ownership and land hoarding and into French industry, and has therefore remained very much in the second rank among the world's great financial centres.

The most frequent answer to such charges is that the Government itself is ambivalent towards investment, encouraging it with one hand while interfering too much in its operations with the other. Such arguments seem rather circular. But what everyone agrees is that the Bourse is ripe for reform.

Last year, when the national rate of saving in France was close to 17 per cent. of disposable income, the value of transactions on the stock exchange actually fell by 28 per cent. The proportion of gross fixed capital formation accounted for by new share issues increased slightly to 10 per cent. from 8.4 per cent., but remained well below the contributions of the bond market or of the banks and State lending institutions.

In terms of prices, the rapid period of growth in 1968-69, which added 28.4 per cent. to the index of the Compagnie des Agents de Change, is long forgotten. Last year the index lost about 8 per cent., while this year it has hardly been *brilliant*, picking up less than 3 per cent. since January. The most common epithets in the daily market reports have become "quiet," "indecisive," "morose," "sullen," *while the average yield of around* 6-7 per cent. on shares compares badly with returns on bonds.

Paris fund managers and investors alike tend to pay more attention to Wall Street or *Tokyo, or to* South African and Australian mines, despite a dollar premium that remains at around 5.5 per cent. even in the currency's present state of weakness.

Operators in the market complain of its narrowness, whereby even fairly limited buying or selling interest can soon distort a share's real value. The relatively few really large and internationally known French companies are *inclined to feel* the Paris Bourse offers them too small a stage. They are often accused, on the other hand, of taking too little notice of the performance of their shares, as well as of preferring bond issues to the administratively more complex process of increasing share capital.

In the minds of many small investors or potential investors, the Bourse has never managed to shake off the suspicion that only people with inside knowledge can do really well. This suspicion has probably been reinforced by several messy take-over battles, such as that for the Antar oil refining group last year, in which the Government was deeply implicated and which took place despite the presence of the Commission des Operations de Bourse, the watchdog body set up to protect the public interest.

Nor are smaller investors likely to forget the nationalisations of 1946 of the three biggest clearing banks, the Banque de France and the three largest insurance companies—a move which wiped out about one-third of the total value of quoted shares. It is not perhaps surprising that the proportion of individuals owning share portfolios in France is lower than in comparable industrial countries, while the average age (58) is high.

On the positive side, there has, it is true, been a rapid growth *in the past six or seven years* of *Sociétés d'Investissement à Capital Variable*, or SICAVs, the closest French equivalents to mutual funds. These now control a total of over Frs.14,000m. (£1,000m. or more) in deposits, and many of the 700,000 SICAV investors are believed to be in their 20s or 30s. But their style is cramped by a regulation that 30 per cent. of the portfolio should be in bonds, while few of them have *shown signs of* straining after the role played by the more adventurous funds of New York or London. Nor does any other category of French institutional investor fill *the part.*

Problems

To these and many other problems the Baumgartner Report offers solutions. It puts the main emphasis on broadening the attractions of share ownership, and to this end suggests reducing the rate of tax on dividend incomes up to a ceiling yet to be determined. However, in accepting any proposal involving major fiscal incentives to share holders, the Government would lay itself open to charges of acting merely to stimulate prices and thus favour present investors unfairly. The move would also be tricky at a time when taxation revenue is running at a level considerably lower than was expected, with the result that several elements in last year's personal taxation reform package may have to be postponed.

The report also suggests alterations to present regulations in order to facilitate block trading of shares, simplification of the law governing new share issues, and changes in the role of the Agents de Change, so as *to allow specialists or jobbers to* emerge. All these points are believed to stand a good chance of acceptance by the Government, though it is less likely to end the personal status and responsibility of the 80-odd full Agents de Change, by agreeing to the suggestion that brokers should be allowed to form limited companies.

The most interesting area of reform, undoubtedly, is the attempt to attract foreign portfolio investment in French shares. Here the Government has already taken action, in what amounts to an unilateral tax concession by France, by extending the fiscal rebate or *avoir fiscal* to investors in Britain, West Germany and Switzerland. Similar agreements have still to be ratified with the U.S., Luxembourg, Finland and Austria. However, in the case of the U.K., there is still some uncertainty in the investment world as to whether, after paying British taxation on his dividends, an investor in French shares will be significantly better off than he was previously.

So far there has been little sign that foreign investors have taken the *bait: recent heavy* British buying of Compagnie Française des Petroles (CFP) shares is ascribed by dealers here more to the realisation that this was a fairly cheap way *to get a stake in the North Sea.*

Savage rate

But apart from tax concessions and what French politicians and officials argue *is the* chronic undervaluation of leading French shares, there is a particular reason for foreign buying interest in Paris, at least in theory. For anyone who *believes that an* upward movement of the franc parity is a logical outcome of the present monetary crisis, this now represents the only remaining way in which to transfer funds into France, following the recent batch of measures designed to insulate the country from fresh speculative inflows. But for all the speculative interest in the franc a week or two ago, there is little sign yet that this "back door" is being used on any scale.

The French economy itself is growing at around 5 per cent. a year and has a less savage rate of inflation than many other *OECD countries. There has* been a series of important mergers in the past year or two resulting in the creation of large and dynamic French groups on the world scale. Not least, there have been considerable improvements, at least in the larger companies, in standards of accounting and financial disclosure. Is it merely hesitation in the face of the comparatively *unknown* that holds back foreign investors, and especially foreign institutions, from the Paris Bourse? or lingering mistrust of official *dirigisme*? The Baumgartner Report speaks of the need to create "a climate of confidence implying respect for the general standing of business." For many people the French Government still has to offer more solid proof that it has taken the protestant ethic to its heart.

INVESTMENT TRUST COMPANIES

The information in the columns below is supplied by the companies named, which are members of The Association of Investment Trust Companies. The figures, which are in new pence except where otherwise stated, are unaudited.

Total Assets *less current liabilities* (1) £million	Company (2)	Shares or Stock (3)	Date of Valuation (4)	Annual Dividend (5)	Net Asset Value *after deducting prior charges* at *nominal value* (6)	Net Asset Value *after deducting prior charges* at *market value* (7)	25% of dollar premium (8)
				New pence except where £ stated (see note d)			
	VALUATION MONTHLY						
11.6	Alliance Investment	Ordinary 25p	15/7/71	4.5	204	216	2½
121.7	Alliance Trust	Ordinary Stock 25p	30/7/71	5.625	221½	230½	4
38.9	*American Trust*	*Ord. & "B" Ord. 25p*	30/7/71	*7.75	288½	300	3
	Do. Do.	Conv. Deb. 1992/95	30/7/71	£6.25	£147.10	£133.00	£1.53
18.7	Capital & National Trust	Ord. & "B" Ord. 25p	30/7/71	*3.125	112	116	1
8.2	Claverhouse Investment Trust	Ordinary 50p	30/7/71	3.0	89	82	–
70.7	Edinburgh Investment Trust	Deferred £1	30/7/71	6.5	217½	231½	1½
34.0	First Scottish American Trust	Ordinary 25p	2/8/71	2.75	97½	101	2
122.6	Foreign & Colonial Inv. Trust	Ordinary 25p	31/7/71	2.875	155	162½	3
	Do. Do.	Conv. Loan 1988/93	31/7/71	£5.00	£124.00	£129.90	£2.80
59.6	Great Northern Investment Trust	Ordinary 25p	30/7/71	3.625	118	120½	½
51.7	Guardian Investment Trust	Ordinary 25p	30/7/71	2.0	88½	94	1
116.3	Industrial & General Trust	Ordinary 25p	30/7/71	4.25	147	152	1½
61.0	Investment Trust Corporation	Ordinary 25p	30/7/71	5.0	187½	195½	3½
59.6	Investors' Mortgage Security	Ordinary 25p	30/7/71	2.3	76½	81½	1
25.3	London & Holyrood Trust	Ordinary 25p	30/7/71	5.25	203½	213½	2½
17.8	London & Montrose Inv. Trust	Ordinary 25p	30/7/71	4.0	165½	170	2½
31.5	London & Provincial Trust	Ordinary 25p	30/7/71	4.875	190	198	3
2.5	Merton Park Investment	Ordinary 25p	30/7/71	2.0	64½	66½	–
46.1	Metropolitan Trust	Ordinary 25p	30/7/71	3.875	150	155	2½
36.0	Northern American Trust	Ordinary 25p	2/8/71	2.75	98½	103	2
57.7	Scottish American Investment	Ordinary 50p	31/7/71	3.5	128½	134	2
45.7	*Scottish Northern Inv. Trust*	Ordinary 25p	5/8/71	3.0	112	120	2½
57.2	Scottish United Investors	Ordinary 25p	31/7/71	2.5	97	103	2
39.8	Second Alliance Trust	Ordinary 25p	30/7/71	5.0	188	197	3½
45.3	Securities Trust of Scotland	Ordinary 25p	30/7/71	6.0	177½	195	2
24.2	Trust Union	Ordinary 25p	30/7/71	2.25	101½	106	1
50.2	United British Securities	Ordinary 25p	30/7/71	5.625	204	207½	2
	Baillie, Gifford & Co.						
93.3	Scottish Mortgage & Trust	Ordinary 25p	30/7/71	3.0	124½	127	2
71.8	Edinburgh & Dundee Investment	Ordinary 25p	30/7/71	3.3	151½	155½	2½
46.4	Monks Investment Trust	Ordinary 25p	30/7/71	4.5	168½	173	2½
12.7	Winterbottom Trust	Ordinary 25p	30/7/71	4.5	225	236½	3½
	Grahams, Rintoul & Co., Glasgow						
51.3	Scottish National Trust	Ordinary 25p	30/7/71	3.5	143	140	1½
11.7	Glasgow Stockholders Trust	Ordinary 25p	30/7/71	3.875	144	151	1½
	G.T. Management Ltd.						
12.3	Berry Trust	Ordinary 25p	31/7/71	0.875	63	63½	1
	Do. Do.	Conv. Loan 1993	31/7/71	£4.25	£91.67	£92.47	£1.17
4.7	Northern Securities Trust	Ordinary 25p	31/7/71	3.25	116½	123½	½
	Hambros Inv. Management Services						
37.8	Hambros Investment Trust	"A" & "B" Ord. 25p	30/7/71	*3.75	135	148½	1½
18.0	Bishopsgate *Trust*	Ordinary 25p	30/7/71	5.0	198½	207	2
7.6	Hellenic & General Trust	Ordinary Stock £1	30/7/71	17.0	702	810	8
3.6	City of Oxford Investment Trust	Ordinary 25p	30/7/71	1.875p	73½	77	–
8.4	Rosedimond Investment Trust	Capital Shares 25p	30/7/71	–	180	180	½
1.9	Michaelinos & General Inv.	"A" & "B" Ord. 20p	27/7/71	*1.3	40½	40½	–
	Ivory & Sime						
86.7	British Assets Trust	Ordinary 25p	31/7/71	1.45	76	82	1½
30.6	*Second British Assets Trust*	*Ordinary 25p*	*31/7/71*	*5.083*	*238½*	*242½*	*3½*
25.9	Atlantic Assets Trust	Ordinary 25p	31/7/71	0.625	77½	85½	2
	Leopold Joseph & Sons Ltd.						
1.5	Anglo-Welsh Investment Trust	Income 25p	31/7/71	3.125	40	40	–
	Do. Do.	Capital 25p	31/7/71	–	67	86½	–
2.8	Thanet Investment Trust	Ordinary 50p	7/6/71	2.375	82½	87	–
	Murray Johnstone & Co.						
33.8	Caledonian Trust	Ord. & "B" Ord. 25p	30/7/71	*1.6	78	82	1½
53.5	Clydesdale Investment	Ord. & "B" Ord. 25p	30/7/71	*1.625	77	81	1
3.8	Glenmurray Investment Trust	Ord. & "B" Ord. 25p	30/7/71	*1.5625	60	60	1
57.6	Scottish Western Investment	Ord. & "B" Ord. 25p	30/7/71	*2.1875	95½	100½	1½
18.7	Second Great Northern Inv. Trust	Ord. & "B" Ord. 25p	30/7/71	*1.9	87	90½	1½
	Schroder Wagg Group						
17.0	Ashdown Investment	Ordinary 25p	31/7/71	3.5	139½	148½	2
	Do. Do.	Conv. Loan 1988/93	31/7/71	£4.75	£97.80	£103.90	£1.40
21.9	Broadstone Investment	Ordinary 20p	31/7/71	3.3	136	146	2
	Do. Do.	Conv. Loan 1988/93	31/7/71	£4.50	£90.60	£97.40	£1.40
37.3	Continental & Industrial Trust	Ordinary 25p	31/7/71	4.12	175½	189	2½
21.8	Trans-Oceanic Trust	Ordinary 25p	31/7/71	3.75	156½	167½	2½
	Do. Do.	Conv. Loan 1988/93	31/7/71	£4.50	£97.80	£104.70	£1.60
10.6	Westpool Investment	Shares 25p	31/7/71	2.75	106½	111½	2
	Do. Do.	Conv. Loan 1989/94	31/7/71	£5.00	£95.90	£100.40	£1.70
	Touche, Remnant & Co.						
64.5	Atlas Electric & General Trust	Ordinary 25p	30/7/71	3.0	162	170½	1½
27.2	Bankers' Investment Trust	Ordinary 25p	30/7/71	3.875	130	138	1
10.3	C.L.R.P. Investment Trust	Ordinary 25p	30/7/71	2.625	130	137	1
15.1	Cedar Investment Trust	Ordinary 25p	30/7/71	3.375	139	144½	1
33.3	City of London Brewery	Deferred 25p	30/7/71	3.75	124	131	–
19.3	Continental Union Trust	Ordinary 25p	30/7/71	2.0	105	111	1
28.6	International Investment Trust	Ordinary 25p	30/7/71	3.625	155	162	1
37.4	Sphere Investment Trust	Ordinary 25p	30/7/71	2.3	111½	117½	1
39.6	Standard Trust	Ordinary 25p	30/7/71	4.25	152½	161½	1½
	VALUATION THREE-MONTHLY						
66.9	Anglo American Securities	Ordinary 25p	15/7/71	2.375	101	107½	2½
	Do. Do.	Conv. Loan 1988	15/7/71	£4.00	£101.00	£107.50	£2.50
16.6	Charterhouse Investment Trust	Ordinary 25p	30/7/71	3.75ac	123ac	133ac	1½ac
13.8	Electronic Trust	Ord. & "B" Ord. 25p	30/7/71	*2.375	103	104	2
6.0	Ever Ready Trust	Ordinary 25p	31/7/71	5.25	171	177	1
9.1	Grange Trust	Ordinary Stock 25p	31/5/71	3.75	154	163	1½
14.5	*London Scottish American*	Ordinary Stock 25p	30/7/71	3.75	132	139½	2
41.9	London Trust	Ordinary 25p	30/6/71	8.125	281½	293½	2
5.0	Oil & Associated Inv. Trust	Ordinary 25p	30/6/71	2.0	55	56	½
	Do. Do.	Conv. Loan 1988/93	30/6/71	£6.25	£123.75	£126.00	£1.10
22.1	Pentland Investment Trust	Ordinary 25p	30/6/71	3.0	110½	116	1½
65.9	Scottish Eastern Inv. Trust	Ordinary 25p	31/7/71	3.25	131	137	2½
9.7	Second London Scot. Am. Trust	Ordinary Stock 25p	30/7/71	4.75	163½	172½	2½
6.9	Technology Investments	"A" & "B" Ord. 25p	30/7/71	*1.625	68	69	1
42.9	United States Debenture Cpn.	Ordinary Stock 25p	30/7/71	2.625	91	94	1½
	Do. Do.	Conv. Loan 1974/93	30/7/71	£5.00	£[illegible]9.60	£103.28	£1.60
	City Financial Administration Ltd.						
2.8	Acorn Securities	Capital 1p	9/8/71	–	55	55	1
10.1	General Funds Investment	Ordinary 25p	2/8/71	3.75	131	136	2
	Do. Do.	Conv. Ord. 10p	2/8/71	–	94½	98	1½
7.7	"Investing in Success" Equities	Ordinary 25p	9/8/71	1.75	105½	110	2
	General Investors Group						
17.0	General Investors & Trustees	Ordinary 25p	30/8/71	5.125	167	177	1
13.7	Cardinal Investment Trust	Deferred 25p	30/6/71	4.75	160½	171	1
†	City & Gracechurch Inv. Trust	Ord. & Conv. Ord. 25p	30/6/71	†	†	†	†
	John Govett & Co. Ltd.						
53.6	Border & Sthn. Stockholders Trust	Ordinary 50p	30/6/71	5.5	379½	388½	5
7.6	General Stockholders Inv. Trust	Ordinary 25p	31/7/71	4.125	335	378	8
46.6	Lake View Inv. Trust	Ordinary 25p	30/6/71	3.625	177	185	3
	Do. Do.	Conv. Loan 1973/98	30/6/71	£4.00	£118.00	£123.40	£2.10
23.4	London & Aberdeen Inv. Trust	Prefd. & Deferred 5p	30/6/71	1.8	135	141	1
43.6	Stockholders Inv. Trust	Ordinary 50p	31/7/71	6.5	378½	399	7
7.1	Western Stockholders Inv. Trust	Ordinary 25p	30/6/71	0.875	47½	49½	1
	Henderson Administration Ltd.						
99.9	Witan Investment	Ordinary 25p	30/4/71	1.75	89	96	1½
17.0	Electric & General Investment	Ordinary 25p	31/5/71	1.25	93½	99	2
4.4	Greenfriar Investment	Ordinary 25p	30/6/71	1.125	100	100	2
4.1	Mendip Investment	Ordinary 25p	31/5/71	1.2	83½	88	1½
3.6	Lowland Investment	Ordinary 25p	30/6/71	1.8125	45	45	–
	Hill Samuel & Co. Ltd.						
14.3	City & International Trust	Ordinary 25p	31/5/71	2.44	84½	90½	1
	Do. Do.	Conv. Loan 1989/94	31/5/71	£4.25	£84.70	£90.70	£1.10
7.6	General & Commercial Inv. Trust	Ordinary 25p	31/5/71	3.5	121½	130	1½
16.3	General Consolidated Inv. Trust	Ordinary 25p	30/6/71	2.25	75	78	1
	Do. Do.	Conv. Loan 1989/94	30/6/71	£4.50	£88.60	£92.50	£1.40
95.3	*Philip Hill Investment Trust*	*Ordinary 25p*	*31/5/71*	5.625	177½	182½	1
	Do. Do.	Conv. Loan 1989/94	31/5/71	£4.50	£101.30	£104.20	£0.60
3.0	Moorgate Investment Co.	Ordinary 25p	31/5/71	2.0	55	57½	–
27.0	Nineteen Twenty-Eight Inv. Trust	Ordinary 25p	31/5/71	5.125	189	198	3
	Kleinwort Benson Ltd.						
2.4	Cumulus Inv. Trust	Ordinary 25p	31/7/71	1.25	80½	87	½
28.1	English & New York Trust	Ordinary 25p	30/6/71	2.875	95½	99	2

* Applies to Ordinary/"A" Ordinary only. ac=adjusted for scrip issue. ar=adjusted for rights issue. † Company publishing year-end results shortly.

Notes:—

(a) Cols. 1, 6, 7 Quoted investments are valued at mid-market prices; unquoted at directors' valuation; both include 100 per cent. of any investment dollar premium.

(b) Cols. 1, 6, 7 All revenue account items are excluded.

(c) Cols. 1, 6, 7 No account has been taken of any liability in respect of taxable gains which might arise on future disposal of investments.

(d) Cols. 5-8 Amounts are per share/stock unit or per £100 Convertible Loan Stock. Column 5 precisely stated: columns 6-8 to nearest ½p per share and 10p per £100 Convertible Loan Stock.

(e) Col. 5 Dividend is last declared gross annual dividend or firm forecast.

(f) Cols. 6-7 Prior Charges are deemed to include preference share capital.

(g) Cols. 6-8 Convertible Loan Stocks are treated as if converted at the rate for the next conversion date, and not as prior charges.

A booklet, "Investing in Investment Trust Companies," is available from the Association of Investment Trust Companies, 7, Angel Court, Throgmorton Street, E.C.2.

AITC

Other Overseas News

Australian Reserve Bank challenges basis of Budget

BY MICHAEL SOUTHERN, AUSTRALIA EDITOR SYDNEY, August 19.

THE WHOLE basis of Australia's Budget introduced on Tuesday by the Treasurer, Mr. Billy Snedden, has been challenged by the Australian Reserve Bank in its annual report. The bank says that it is hard to attribute the recent acceleration in the country to excess demand pressure.

Introducing his deflationary package, Mr. Snedden quoted a rise in retail sales of 12 per cent. in the second half of last year as the basis for his theory that consumer spending was rising and causing inflation. The theme of excessive consumer spending as the cause of Australia's inflation ran throughout his speech on Tuesday.

According to the Reserve Bank report the growth in total spending had tended to ease in 1970-1971 to a rate slightly below that of potential supplies. This was reflected in an easing in the labour market as indicated in the decline of job vacancies. In real terms, consumer spending had increased by only a little over 3 per cent. and outlays on dwellings fell as did the rate of commencements of new dwellings.

"The rate of increase of spending did not accelerate during the second half of the year as might have been feared and, over this period, appeared to be slightly below the rate of growth in capacity to produce," it said.

The Bank said that the recent impression, both in Australia and abroad, was of rates of inflation a little higher than might have been expected on the basis of past relationships between levels of activity and changes in prices.

The Bank says that an increase in the degree of competition among domestic producers and a greater degree of competition from abroad could help ease inflation. Some liberalisation of the tariff policy could ease the task of restraining price increases.

Reuter writes from Canberra: Australian Prime Minister William McMahon to-night announced the return to the Cabinet of Mr. Malcolm Fraser, whose resignation as Defence Minister in March led to the replacement of Mr. John Gorton by Mr. McMahon.

Mr. Fraser, aged 41, takes over as Minister for Education and Science from Mr. David Fairbairn, who had held two portfolios since he was appointed to succeed Mr. Gorton in the defence post last week.

Afghanistan faces famine

By Our Foreign Staff

AFGHANISTAN, which has a population of 16m., faces widespread famine caused by drought if emergency supplies of grain from "friendly countries and international organisations" are not flown into the country very soon, according to a statement just published by the Foreign Minister, Mr. Mohammad Moussa Shafiq.

Mr. Shafiq's statement adds that the country has been virtually without rain since 1969, and also faces the loss of up to 70 per cent. of its livestock—a major hard currency earner, as well as the provider of meat for most of the country's population. In addition, the country has been falling short of self-sufficiency in wheat production by about 300,000 tons in the last two years.

An Afghan Embassy official said in London last night the country had now reached a stage where, economically, it could no longer "go it alone." The situation, he said, was now "catastrophic" and it was to be hoped that some help, perhaps through United Nations organisations, would be forthcoming.

The Foreign Minister added in his statement that "every conceivable source of livestock feed" was being mobilised by the Afghan Government, and that the flow of water and food was organised as effectively as possible.

Mr. Shafiq said that wheat was running out even though it was selling at three times the 1968 price. Sheep were being sold off at "a tiny fraction" of their normal market price in order to get essential foodstuffs.

Heykal urges Arab action

BY OUR OWN CORRESPONDENT CAIRO, August 19.

THE Federation of Arab States, whose leaders are now meeting in Damascus, should break the present tension in the Middle East with a "calculated explosion," Mohamed Hassanein Heykal, Al Ahram's chief editor and close associate of President Sadat, says in his Friday column.

He warns the Arabs against any illusions of a sweeping victory over Israel but argues that Israel must be made to suffer heavy losses and damage, so that she will finally realise that she cannot have peace on her own terms. In an unusually aggressive style, Heykal says that the present state of controlled tension in the Middle East must be ended, because it harms Arab interests. He urges the Egyptian, Syrian and Libyan leaders meeting in Damascus to work out a long-term strategy for war.

Admitting that the Arabs are at present more divided than ever, Heykal says the three confederated states should form an Arab action group of all those countries ready to contribute to the battle against Israel because "a military clash with Israel is inevitable—there is no alternative." Plans for this clash, Heykal says, should also include the Marxist-controlled state of South Yemen, because by its geographical position it controls the gateway to the Red Sea.

Preparations should include the removal of the cloud over Arab relations with the Soviet Union, caused by the coup in the Sudan and the subsequent deterioration in relations between Moscow and Khartoum. Heykal also proposes that the three confederated states should draw closer to Peking, and consolidate relations with France, Cyprus and Malta.

This is the second time this week that an official or semi-official Egyptian voice has acknowledged the Arab interest in Malta. In an interview with Al Ahram's economic review on Monday, Mustafa Kemal Mourtega, Egypt's ambassador to Italy and Malta, said the Arab states planned to counter Israeli influence in Malta and to improve economic links with the island.

Meanwhile according to informed sources here President Sadat will leave the three heads-of-state meeting at Damascus this evening to fly to Jeddah for urgent talks with King Feisal of Saudi Arabia. According to informed sources here, the talks will deal with the Jordanian-Syrian crisis and the failure of the Egyptian-Saudi mission to mediate between Jordan and the Palestine resistance.

MOROCCO

Hassan adopts lower profile

BY OUR RABAT CORRESPONDENT

ON THE surface it is hard to believe that anything has really changed in the wake of the abortive coup d'etat which shook Morocco last month. Nearly six weeks have now passed since a group of Army officers, comprising some of the country's most distinguished generals, failed to gain power. For a while afterwards it seemed that King Hassan might make some fundamental changes in his style of government—as he himself promised. Indeed, it even seemed that by a strange irony the King might implement some of the reforms the dissident generals wanted to implement.

However, the King has just announced a new Cabinet and there is nothing to suggest a significant departure. The new Cabinet in theory takes over the additional authority of the former Royal Cabinet which previously acted in an advisory capacity but often had more weight than the Ministerial Cabinet which acted more as a technical body. Of the new Ministers, ten were in the old Cabinet—five in the same positions—and only five are new faces.

Made a name

Yet if the faces are much the same, the King has obviously taken the opportunity to rid himself of some dead wood. Ignoring to a lesser extent the need to play off rivalries and favours, King Hassan has pruned the number of Ministers from 29 to 15. In addition, the new Premier, M. Mohammed Karim Lamrani, is a much more energetic and forceful personality than his predecessor, M. Ahmed Laraki.

M. Lamrani is 52, a successful banker, and made a name for himself as president of the Moroccan subsidiary of Crédit Lyonnais and then as director-general of the phosphate mining and marketing monopoly, Office Chérifien des Phosphates. He was appointed Minister of Finance last April, and negotiated important new agreements on aid and finance with M. Valéry Giscard d'Estaing, his French colleague. A bear-like man, with bushy eyebrows and a booming voice, M. Lamrani is definitely an establishment type but with a rather brusque and expansive manner, quite unlike any Premier Morocco has had since independence in 1956. Hence his personality fits in well with the King's designs. The monarch said there would be no change in policies, either domestic or foreign, only a change in style of government. The new Premier is certainly not a political radical, but he could speed up the tempo and rouse the economy out of its stagnation.

Another key figure who has been retained is General Mohamed Oufkir, the régime's strongman who has been Minister of the Interior since 1963. He is now Minister of Defence and "Major-General" or chief of staff of the 50,000-man Royal Armed Forces. This appointment surprised many observers inside and outside Morocco. It was thought the King would take the opportunity to get rid of a personality who has done a lot to give the régime a bad reputation, particularly in Arab countries like Egypt, not to mention Syria and Libya.

As Minister of the Interior, General Oufkir controlled a huge bureaucracy responsible for the appointment of thousands of local officials (provincial governors, pashas, kaids, sheikhs) all of them representatives of the central authority, that is the King. He also controlled the police and the "auxiliary forces," made up mainly of veteran soldiers ostensibly used for guard duties but frequently employed as a ruthless riot squad.

Needless to say this Ministry is a fount of patronage and influence, dispensing rewards to create a widespread "clientele" supporting the throne, and also serving as a very effective instrument of repression by breaking up demonstrations, prosecuting party militants, student and labour leaders, seizing newspapers, and organising "spontaneous" demonstrations of support whenever it is thought that enthusiasm is flagging.

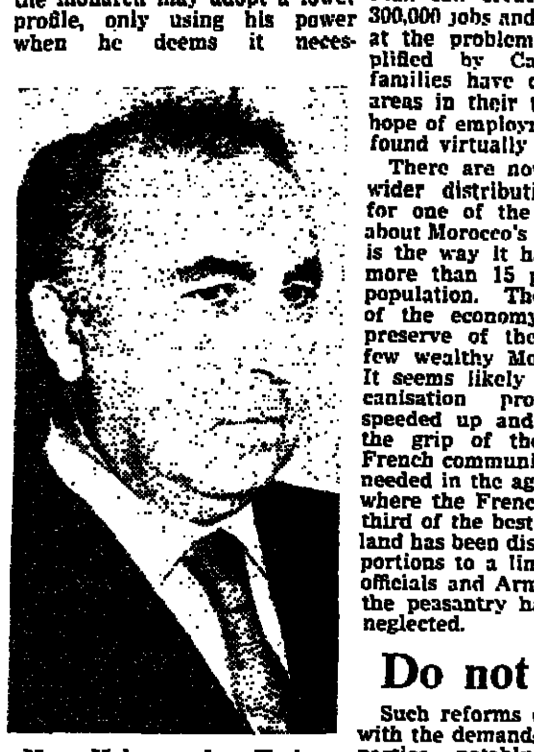
The Army

During his term of office, a long one by Moroccan standards, General Oufkir successfully emasculated radical Opposition elements, tamed the labour unions, and kept militant students on a very tight rein. After the July 10 coup he was given the job of restoring order, which he did with customary efficiency. While ten high-ranking army officers were executed for leading the coup, at least 158 of their troops were killed in the fighting and "over 900" rounded up, according to official figures. This leaves about 300 unaccounted for out of the total force of 1,400.

Although the authorities have proclaimed incessantly since the coup that the Army is entirely loyal, except for the tiny fraction of dissidents now said to have been eliminated, it would appear that this is not absolutely true—otherwise putting General Oufkir in control of it would not make much political sense. Also since the coup, certain stories of dissidence in the Army last year have emerged.

The King has put a trusted man in charge obviously because he believes it needs a very firm hand.

The new Government has been given 18 months to carry out a series of reforms in the administration, justice, education and the economy. To accomplish its task, the King has given it his executive powers which were hitherto held by the Directorate-general of the Royal Cabinet. Mr. Lamrani is therefore personally responsible for his performance to the King and to Parliament. This suggests that the monarch may adopt a lower profile, only using his power when he deems it necessary, notably by dismissing the government or by changing ministers.



M. Mohammed Karim Lamrani, the new Premier.

One of the main aims of the reforms is to combat corruption in the administration. The King has now openly admitted that corruption has gone too far and that the rich have got richer and the poor remained poor. He has promised that the courts will crack down hard on offenders, in addition to rigorous sanctions against abuse of authority, and a "liberalisation" of formalities to make it much harder for civil servants to "sell" things like passports, driving licences, identity cards, birth certificates and other documents in which many officials have been doing a roaring trade.

This kind of traffic is however relatively minor compared to the vast sums dispensed to obtain favours, particularly big government contracts, and in which foreign businessmen are frequently involved. One such incident led to the sacking of four Cabinet Ministers in April. Certainly one of the reasons for the abortive coup was that the military leaders were incensed at the way the culprits in this particular affair were not sufficiently punished.

But if corruption and the abuse of power was one of the principal reasons behind the July 10 coup, other more fundam[ental] problems will have to be tac[kled] to ensure stability. With the 16m. population unde[r] and 1.5m. receiving some of schooling, a vast reserve half-educated Moroccans is [illegible] created. The current Five Plan can create no more 300,000 jobs and can only sc[ratch] at the problem which is e[xem]plified by Casablanca w[here] families have come from t[he] areas in their thousands in hope of employment. They found virtually none.

There are now promises wider distribution of weal[th] for one of the striking fa[cts] about Morocco's recent prosp[erity] is the way it has touched l[ittle] more than 15 per cent. of population. The modern se[ctor] of the economy has been preserve of the French an[d] few wealthy Moroccan fami[lies]. It seems likely that the Mo[ro]canisation process will speeded up and a loosening the grip of the 90,000 st[rong] French community. This is n[eeded] in the agricultural se[ctor] where the French still contr[ol] third of the best land and w[here] land has been distributed in li[mited] portions to a limited numbe[r] officials and Army officers, w[hile] the peasantry have been tot[ally] neglected.

Do not count

Such reforms coincide broa[dly] with the demands of the polit[ical] parties, notably the old-gu[ard] Istiqlal Party and the socia[list] "Union Nationale des For[ces] Populaires" (UNFP). It seems to be identical to the al[ms] generally attributed by polit[ical] observers here to the leaders the military coup, apparently corroborated by t[he] fact that the reforms have co[me] out of the coup (post hoc er[go] propter hoc).

But if it is genera[lly] considered that the appointm[ent] of a strong personality like Lamrani to carry out the [re]forms will obtain the adhes[ion] of the Army, the opposite is t[he] case with the political parti[es] and for much the same reaso[n].

Just 24 hours before the n[ew] Government was formed b[oth] the Istiqlal and the UNFP c[on]demned it in a joint commu[ni]que. They said Morocco did n[ot] need a new Government but new Constitution and new leg[is]lative elections, claiming t[he] present Constitution "insti[tu]tionalises" absolute power a[nd] that last summer's referend[um] and parliamentary electio[ns] were "rigged." Their reacti[on] indicated that the King had n[ot] consulted them—or indeed a[ny]one else. Thus by imposing h[is] choice on the nation, he e[vi]dently believes his own person[al] prestige is still great and t[he] parties do not count for mu[ch]. Yet in so doing he has shown th[at] he may have not learned all t[he] lessons he might from the ab[or]tive coup.

Likely Soviet-Pakistan pact

By Our Own Correspondent

KARACHI, August 19.

A NON-AGGRESSION arrangement is being worked out between the Soviet Union and Pakistan, according to reports circulating in diplomatic circles in Islamabad. The matter is likely to be broached formally during Pakistan Foreign Secretary Sultan Mohammad Khan's visit to the Soviet Union on an invitation from the Soviet Government.

The Foreign Secretary is currently in Tehran from where he will go to Geneva and on to the Soviet Union reaching Moscow on August 25. Indications regarding the possibility of a non-aggression arrangement are believed to have been received in Rawalpindi from Moscow.

Pakistan has never thought of associating itself with any aggression against the Soviet Union and a reiteration of this position would therefore be in the interest of both. Pakistan has often explained to the Soviet Union that its association with SEATO and CENTO was just nominal and was not motivated in any way by a desire to gang up against the Soviet Union. The Soviet Ambassador in Pakistan is learnt to have had an important meeting with Pakistan's Foreign Secretary on Monday before the latter left for his tour.

Muscat hotel completed

Mothercat, the British-registered, Beirut-based contracting company, has completed the 50-bedroom Al-Falaj Hotel in Muscat, capital of the Sultanate of Oman. The contract, worth £540,000, included all furnishings. Design was started in October 1970; construction was carried out in eight months and the hotel is now in use.

Other building work being carried out by Mothercat in Muscat includes a clinic and 47 houses and flats for the Ministry of Health, worth a total of £560,000.

AFRICA IN BRIEF

● KAMPALA—The Bank of Uganda has called for detailed information on all foreign exchange commitments by companies and individuals here. The Bank's exchange control director, Mr. C. Bamgirana, says the aim is to ensure that foreign exchange commitments keep in line with Uganda's reserves. Information is sought on all arrangements for supplying goods on credit, loans raised outside Uganda, contractor finance and service contracts. There is some surprise that most of this information is not already known to the Bank as prior permission must be sought for foreign exchange commitments.

● PRETORIA—President Banda of Malawi and South Africa's Prime Minister John Vorster conferred at a summit meeting yesterday that capped the African leader's visit. The meeting here in the capital of White South African power set thet seal on South Africa's new "outward-looking" policy of winning friends on the hostile African continent.

● JOHANNESBURG—As part of the continuing process of "dialogue" South Africa and the Malagasy Republic have agreed to set up a joint commission of officials to regulate interstate economic relations. The agreement to establish the Commission follows a visit to South Africa by eight Malagasy officials and, according to an announcement from Pretoria, will cover the Marimba dry dock project, which South Africa has agreed to finance, the "intensification of trade exchanges including the avoidance of double taxation agreement on shipping and air transport," and technical assistance.

● LUSAKA—four leading politicians have been suspended from the ruling United National Independence Party for involvement in organising a new, and as yet unregistered party. President Kaunda has announced that one Minister of State, James Chapoloko, has been dismissed from his post and suspended from the Party together with Alfred Chambeshi a former district governor, Justine Chimba former Cabinet minister of commerce and John Chisata former Minister of State. The last named had been sacked from the Government following the Doyle Commission report last June set up last January because of allegations made by these two ministers into tribalism and corruption in government.

● KINSHASA—Congo-Kinshasa yesterday expelled Congo-Brazzaville's charge d'affaires and closed its chancellery in Kinshasa. The Foreign Ministry said in a statement that Congo-Kinshasa was also withdrawing its charge d'affaires and staff of its chancellery from Brazzaville. But diplomatic relations would remain open at ambassadorial level and the ferry services over the river Congo separating the two capitals would remain unchanged.

The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● ELECTRONICS

Output rises but the exports are sagging

PREVIOUS strong production growth in the electronics capital goods industries continued during the first quarter this year, but exports in several important areas drooped so that the overall picture, with imports in certain areas heavily exceeding exports, can only be described as discouraging.

Total output for the quarter was £11m. up on the comparable period a year earlier at £173m., but exports dropped to £57m. from £61m. so that they were down 6 per cent. against the background of a 7 per cent. output advance.

Unfortunately for a country in which the balance of trading in types of computer equipment showed a deficit of £15m. in the first quarter, exports dropped badly to £19m. from £27m., £25m. and £20m. in the three preceding quarters respectively.

The only bright spot was in radar equipment of which £7.7m. worth went overseas against £4.6m. in the preceding quarter. Radio communication equipment was also up by £1m. at £8.8m. but industrial electronic control equipment, measuring and testing equipment, public broadcasting and research and development on behalf of external organisations were all down on the preceding three months.

In point of fact, the overall figure for the first quarter was below the quarterly average for 1970, largely on account of computer business. But even if computers are excluded, the proportions of hardware exported have declined from recent excellent levels.

Looking at the forward ordering position, the facts are that total order books have declined steadily from the peak which was reached at the middle of last year and by April 1 stood at £593m. compared with £648m. at end-June 1970.

For the home market the order backlog was £393m.-£429m. at peak—while exports stood at £200m. against the all-time high of £225m. on January 1, 1970. Computers constituted the largest slice of the order book with the total at £195m. on April 1, including £88m. for the export market.

High-power magnetron

PULSED coaxial magnetron with a peak output of 45 kW over a 300 MHz range between 34 GHz and 35 GHz has been produced by EMI-Varian, of Hayes, Middlesex. Designated VMA-1043, it is designed for agile frequency radars and also those in which the frequency is varied in some predetermined manner for signal enhancement or ECM purposes. The company considers it to be ideal for airborne and maritime reconnaissance systems.

The life expectancy is stated to be up to three times that of a conventional magnetron.

The frequency is altered by means of a motor-driven diaphragm device that alters the size of the cavity. Coupled to this is a voltage readout which is a direct measure of the frequency deviation at any moment. The VMA-1043 is positively pulsed and can be cooled by forced air or conduction. It weighs 9.2 lbs.

Integrated circuits

THREE TTL medium-scale integrated circuits have been added by SGS of Walton Street, Aylesbury, Bucks., to its range of professional digital devices. They are the T7441A decoder, the T7490 decade counter and the T7493 binary counter.

The T7441A BCD to decimal decoder incorporates high performance output transistors designed to drive gas-filled cold-cathode indicator tubes. The T7490 high-speed decade counter features internal interconnection of four master slave flip-flops, providing both decade and divide by two and divide by five counters. The T7493 4-bit binary counter provides high-speed divide by two and divide by eight capability by means of four master slave flip-flops internally interconnected.

The three circuits are completely compatible with TTL and DTL logic families and are supplied in plastic DIP for a temperature range of 0 degrees C to 70 degrees C.

Savings on stand-by

SUBSTANTIAL savings in battery costs in power station stand-by systems can be achieved by the use of a solid-state dc/dc converter states the manufacturer, Gresham Lion Electronics, Twickenham Road, Hanworth, Middlesex.

In a power station or sub-station, the large station stand-by batteries are kept on constant charge and feed all trip and auxiliary circuits when breakdowns occur. The protection circuits are energised by a separate 12V nickel cadmium battery system, also kept on charge by stabilised supplies from the main ac power line.

The converter can be used instead of the 12V batteries and their associated charging circuits. It is fed from the station batteries at either 11 or 220v nominal dc and provides a stabilised output of ±12V dc up to 1A, with overload protection.

The converter units are being manufactured specially for Reyrolle Parsons, who have taken delivery of the first 200 units.

Two MOS devices

A 64-BIT static shift register and and a four-phase clock generator in MOS are now being marketed by SGS of Walton Street, Aylesbury, Bucks.

The register, designated M134, has a 16+16+32 bit configuration and is the first silicon nitride MOS P-channel device to use SGS's Planox process.

Clock and data inputs and outputs are compatible with TTL integrated circuits and, as a result of the Planox process, a clock rate of 2 MHz is possible. Supply voltages are +5V, −5V and −12V. The M134 is mounted in a TO-100 metal can and operates over the temperature range of 0 degrees C to 70 degrees C.

The clock generator, type M002 provides four clock phases in either major-major, major-minor or minor-minor modes.

Operating with a supply voltage of −27V, it has a clock rate of 500 KHz, a 26 volt output voltage swing and is suitable for use with either dynamic or static circuits. It is guaranteed over the standard temperature range (0 to 70 degrees C) and has MOS compatible inputs.

● COMPUTERS

Stocks kept on an even keel

A REAL-TIME computer system now being installed for Sprinzels of Lancaster Mews is designed to handle expansion at what has become one of the largest retailers of sports and specialised British Leyland cars. The system chosen is International Data Highways' stock management service, which allows an immediate check on stock status and re-order level over an office terminal.

The Sprinzel organisation has expanded dramatically since its foundation in 1960. During the last financial year, generally regarded as a difficult one for the retail motor trade, more than 1,000 new cars were sold, with $1m. export business. The company also handles substantial trade in used cars and accessories.

Stock records have up till now been maintained on a manual card system. IDH staff are currently transferring these to computer-compatible form and establishing a data bank of information in the company's paired Univac 418 computers at Clerkenwell Road, London. A teletype terminal has been installed at Lancaster Mews, linked to the computer centre by J tariff GPO line. The entire changeover operation has been arranged so that the manual system can be used without any break in service to customers, and can be retained for parallel running to check the first days of operation of the real-time computer system.

The system initially will act as a stright-forward means of stock level enquiry and recording with re-order levels based on previous experience and violations reported automatically. With some months' data available it will be possible to establish a forecasting system on a horizontal model, setting order levels to give the most economical stock-holding and to economise in storage costs, space, and capital investment. The forecast will be refined later, when more data is available, to take into account trends and season. Stock listing will be extended to include price, supplier, and customer details.

The final stage of the system will provide advanced management information, generating monthly management reports and an average cost factor which can be related directly to the present accounting system to establish profitability.

Small disc memories

TWO further disc memory series have been announced this week, for use in small- and medium-sized computers. Tally, of Cremyll Road, Reading, Berkshire, is to release three models at Compec '71—the EDP 2000, 3000 and 4000. They are physically identical and intended for the OEM market. Capacity will be up to 12 Mbits with transfer rates of 3 MHZ and access times, says the company, of as low as 8.5 ms. First deliveries of the equipments are expected by the end of the year.

SDSI, of Gertrudstrasse 24, CH-8003, Zurich, is now marketing the Minidisc, a head-per-track unit with a capacity of 6.4 Mbits. The average access time is 8.4 ms. The unit was developed by Scientific Data Systems Israel, a Xerox company, and is claimed to be an economically feasible solution to data storage in the low capacity range.

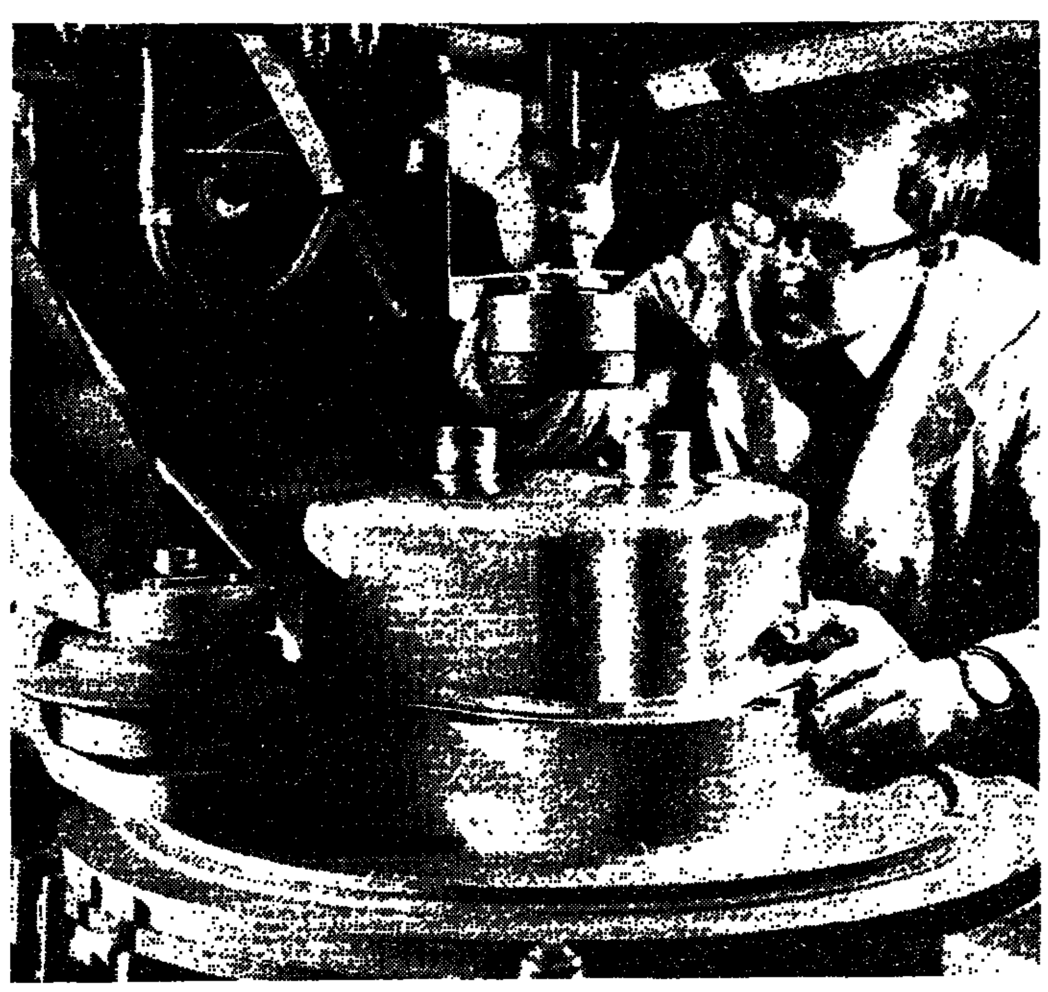
● HANDLING

Truck for small works

WITH a capacity of 1.5 cubic yards and a payload of 15 cwt., a new "small works" truck is being made by Melford Engineering, Cottenham, Cambs. using a Reliant 700 cc industrial chassis. The truck is either hand/hydraulic or electric/hydraulic tipping, and has a glass fibre cab. The container is steel, with a positive locking hinged tailgate.

Melford has also introduced a range of road sweepers for the Continental market. The sweeping equipment uses a Reliant 700 cc power pack for suction and hydraulic operation but the four-wheel vehicle is built on a Steyr-Daimler-Puch front chassis, engine and cab, with a Melford designed main chassis and a Melford-Puch rear suspension.

Both machines can be seen at the IWHS exhibition at Weymouth in September.



Final checks are carried out on a machine for roll forming together the two halves of a gas meter. The lower half of the meter is within the rectangular housing on the worktable and the roll-former compresses a sealing agent between the ready-formed lips of the two halves. Built by Redland Engineering, of Redhill, Surrey, for Smiths Meters, Streatham, the machine, which operates automatically when the mesh guard is closed, seals a meter in 20 seconds. If a meter has to be opened because of malfunction a milling head can be fitted to the machine which cuts the seal in 37½ seconds.

● MATERIALS

Paper takes big thermal shocks

PAPER made of boron nitride fibres will stand up to severe thermal shock and is a good heat insulator, while it can be fabricated like any other paper.

Both paper sheets and fibreboard have been made by the Carborundum Company, of Buffalo Avenue, Niagara Fall, N.Y., U.S. Various thicknesses and densities are available and the weight is only about 0.25 grams per cubic centimetre.

The paper is made by bonding the boron nitride fibres to a similar matrix. The resulting material can be cast, moulded or just cut and folded to shape.

Mastic in warehouse flooring

GAP-GRADED blue flint, sand, cement and specially formulated bitumen composition, laid 12.5 mm thick, provides a jointless, non-dusting, resilient, quiet and self-healing floor, stated by the maker, Kittridge Industrial Flooring, Harold Wood, Romford, Essex, to be comfortable to work on.

The cold mastic flooring costs under £1 per square yard, installed, in open unrestricted areas of 1,000 square yards or more. It can be used for surfacing green concrete, or resurfacing spalled or deteriorating floors. The floor will take light traffic in 24 hours and heavy traffic in 72 hours. The natural colour is grey, but decorative finishes can be applied. Installation speed averages 100 to 150 square yards per team per day. Main application is for industrial and warehouse floors, not subject to point loading.

Polymer rubber soles

HARD thermoplastic rubber compounds, designed particularly for the manufacture of injection-moulded microcellular soling for footwear, have been developed by the Shell Plastics Laboratory, at Delft, Holland.

Hard compounds are needed because after expansion into a microcellular product, the thermoplastic polymer appears to be too soft. The microcellular soles may be either direct moulded-on or made in units. It is stated that as well as high hardness these compounds have great stiffness, wear and cracking resistance, good flow and flex properties, and an excellent cell structure.

● PRODUCTS

See-through silos

MOULDED glassfibre gravity feed silos for storing and dispensing a range of industrial and agricultural liquids, powders and granular materials, are being produced by Glass Fibre Engineering Co., The Trading Estate, Farnham, Surrey. Three silo grades are offered—one for thermoplastic granules and lighter materials; one for heavy industrial applications (sand, cement, etc.); and an anti-bridging silo for materials with poor flowing characteristics.

Lightweight (making for ease of erection), weather and corrosion resistant, the glassfibre is translucent so that visual checks can be made on the content level. Capacities range from 317 cubic feet to 1,375 cubic feet.

Low cost electronic calculator

NOW available from Computer Ancillaries of Central Trading Estate, Staines, Middlesex, is an unusually inexpensive electronic calculator called the CA-108. Employing MOS large-scale integration microelectronic techniques the machine can perform additions, subtractions, multiplications and divisions, as well as chain multiplications and divisions, raising to a power, continuous or flow calculations, and other mixed calculations.

It has an 8-digit illuminated display, features zero suppression, and offers a floating decimal facility so that the user can position the decimal point wherever he requires it.

The CA-108 weighs 3 lb and measures 2 x 6½ x 9 inches.

Digital drum printer

THE digital drum printer market has been entered by Smiths Industries of Wembley Park Drive, Wembley, Middlesex, with a three line per second machine producing 19 columns on 3½ inch paper. The industrial instrument division of the company has aimed the instrument at both laboratory and original equipment markets and claims that it fills a gap in the market between slower printers and larger more expensive units.

The unit, known as the DP21, is being marketed under the company's "Venture" brand name and provides 19 data columns plus two alpha character columns. It accepts binary coded logic at ttl/dtl levels.

Smiths claim that sharp definition and long life of the print-out is ensured by the use of a typewriter ribbon, which also permits remote selection of red or black print. Pressure sensitive paper or fan fold paper may be alternatively used. Internal logic can be linked to provide spacing between print lines of 0.1 inches up to 2.0 inches in steps of 0.2 inches.

Panel buttons permit manual overide to control paper feed, print command and drum on-off, and three indicator lamps display respectively "power on," "paper supply low" and "drum on."

The device consists of one logic board, the print head, a power pack and the paper carrier all of which, says Smiths, can be removed in seconds.

Applications envisaged for the DP21 are in process control, automation, chemical and material analysis, dispensing and other data monitoring environments.

The printer measures 250 x 240 x 320 mm and weighs 10kg.

Hand grip on lighter makes spark

A LIGHTER for domestic use that makes use of piezo-electricity has been introduced by Evered and Company of Smethwick, Warley, Worcestershire. Its obvious advantage is that it needs no batteries or mains supply, the necessary energy being supplied by mechanical force from the user's hand.

The unit is pistol shaped, with a trigger that compresses a spring inside the lighter. This, in turn fires a pin at crystals, understood to be of quartz tourmaline. The crystal elements are deformed and electric charges are formed at the interfaces. The total of these surface charges creates a voltage of about 20kV lasting for about 50 microseconds, so that a spark appears at the end of the barrel.

The unit measures about 5 inches by 4 inches and weighs 5½ ounces. The company claim that under normal circumstances the unit lasts indefinitely and can be used no matter how damp conditions may be. It can of course, be taken anywhere.

Known as the Junkers Piezo Gas Igniter, it markets for £2.25 including tax.

● OFFICE EQUIPMENT

Two LSI calculators

BOTH the Burroughs Corporation and ADM Business Systems have this week announced additions to their ranges of desk electronic calculators and both make use of large scale integration (LSI) techniques.

Burroughs has released three new models. The C3160 weighs only 3.1 lbs, measures 4.8 x 3.1 x 9.5 inches and is intended for basic calculation work at an economic cost. It operates from AC mains or from rechargeable batteries and has a built-in charger.

The C3260 is a display calculator and features an independent storage unit enabling it to accumulate results or to be used for constant factor calculations. It is slightly bulkier than the 3160 and weighs 4.5 lbs. The C3225 uses medium scale integration and is capable of taking many problems to final solution without utilisation of memory. It can compute gross "discount" sales tax and net for single line invoices by using only the computing unit.

The machine from ADM Business Systems is made by Toshiba in Japan. Called the 1414G it has a 14 digit display and program boards that are inserted into the back of the machine. A selection of program types is available and ADM says it can produce any non-standard program on request.

The program has a total of 19 steps which can be split into separate blocks if required. Depression of a return key takes the operation back to the start of the program for further use. If required space can be left on the program for constant factors to be keyed in at the appropriate stage in the calculation.

The machine has constant factor and accumulating stores. In the latter all results may be accumulated automatically, or selected factors or results may be accumulated in just one operation. The constant factor memory may be programmed with multiply or divide instruction. The machine measures 15 x 4.5 by 8.5 inches and weighs about 8 lbs.

● METALWORKING

Assemble your own machine

MODULAR elements to make up a complete machining system are available from The Aro Corporation (U.K.), Caernarvon. The company, which imports the components from an associate in Switzerland, states that an entire machine structure can be assembled from standard off-the-shelf components, from the machine bases and chip pans to the individual tool mounts.

Over 330 self-feed drills, tappers, and milling motors are available, and the main load-bearing components of the system are machined from stabilised cast iron. The modular system enables a machine to be adjusted to cater for modifications in machining requirements, or complete reassembly to produce different components. The company is a subsidiary of The Aro Corporation, Bryan, Ohio 43506.

Reactions to U.S. economic measures

IN BRIEF

● BONN—The West German Chancellor, Herr Willy Brandt, is to return to Bonn to-day from his holiday in North Germany a day earlier than planned.

● BELGRADE—The Canadian Prime Minister, Mr. Pierre Trudeau, has cut short his holiday in Yugoslavia to fly home for talks with his Ministers.

● ROME—The French and Common Market Commission's plans for a two-tier foreign exchange market is not likely to be supported by the Italians, according to banking sources.

HONG KONG—Money dealers in the free Asian currency market suspended trading in the Japanese Yen yesterday amid rumours that the Yen will be revalued upwards by 12 per cent.

● JERUSALEM—The Governor of the Bank of Israel Mr. David Horowitz, said he foresaw no serious complications for Israel from President Nixon's economic measures as 80 per cent. of its foreign currency reserves were held in D-Marks.

S. Africa would lose if Europe revalued

By Our Own Correspondent

JOHANNESBURG, August 19.

THE SOUTH AFRICAN taxpayer stands to lose if the major European currencies revalue, according to the Johannesburg representative of a consortium of foreign banks. He was commenting in an interview on the fact that the South African Government is heavily indebted to the German and other European capital markets.

In all DM790m. is outstanding in the German capital market by the Government, the public corporations like Escom and Iscor, and the Highveld Steel Corporation which is linked to the Anglo-American Corporation.

The exchange risks involved in the public corporation issues are borne by the South African Reserve Bank which is Government-owned and controlled. It is estimated that a revaluation of the German D-Mark of 10 per cent. would involve the Government in exchange losses on capital account of nearly Rand 15m. (about £9m.).

Further losses could be expected, the banker said, in respect of the Republic's European currency unit loans. The Government and Escom have one each of 25m. units. The loans have a provision that the lender may demand repayment in any of the Six's currencies, so South Africa would have to repay at the rate most unfavourable to itself, he explained.

More complicated, he said, were South Africa's straight unit of account loans which are repayable in any of the 17 European currencies. Here the country would suffer exchange losses only in the event of a revaluation of more than two-thirds of the currencies.

On the other hand it is the European investor in South Africa who will suffer where European currencies are revalued and the investments are serviceable and repayable in terms of Rand. Many German investors, for instance, have invested in South African debentures and mortgage bonds and it is they who stand to lose from a revaluation of the D-Mark. Similarly European investors in South African gold shares stand to lose through a revaluation of their home currencies. The banker said this was one of the reasons for the weakness of gold share prices.

The banker stressed that a revaluation of the currencies of South Africa's major trading partners would, however, stimulate the economy and therefore possibly increase the value of industrial equity investments in the country.

East Europeans show concern

By Michael Simmons, East European Correspondent

THE UNCERTAINTY surrounding the dollar is causing considerable concern in Eastern Europe. Propagandists have moved from their initial position of saying that the Americans had to pay for their "international adventurism" to one of questioning the standing, in the light of U.S. developments, of the so-called transferable rouble.

Early in the week, the Russians typified Communist reaction by declaring, in a broadcast to the U.S., that American financial troubles were attributable to Washington's "aggressive policy of expansion."

Now, however, the Poles have adopted a more apparently objective and overtly concerned approach. Dr. Zygmunt Karpinski, an eminent Warsaw banker, said in a Polish Home Service broadcast, that the abandonment of the $35 rate for an ounce of gold raised the question of whether the fixed rate for the transferable rouble, which is based on "a constant relationship" to international gold prices, could now be maintained.

Another Polish speaker, Mr. Stanislaw Strus, a head of department at the Ministry of Foreign Trade (and formerly with the Polish Embassy in London), said "some unfavourable repercussions" had to be expected in Poland's trade with the U.S. America now took more than $92m. worth of Polish goods—some 10 per cent. of exports to the West—"but we are unable to predict fully how serious the effects will be."

Connally says—no plans to exempt RB-211

BY GUY DE JONQUIERES

WASHINGTON, August 19.

THE Rolls-Royce RB-211 engines, ordered by Lockheed to power the L-1011 TriStar, will not be exempted from the 10 per cent. import surcharge.

The Secretary of the Treasury, Mr. John Connally, issued an official statement to this effect after he had indicated the decision on television this morning. He said then there were no plans to exempt the RB-211 from the surcharge and that he saw no way of doing so without creating many problems.

Higher price

Mr. Connally was the Government's chief mediator in Lockheed's recent loan guarantee struggle and a major architect of President Nixon's new economic package.

At Lockheed's headquarters in California, it was indicated the decision would raise the price of a "ship set" of three engines for each TriStar to around $3.3m. The total extra engine cost for the 178 TriStars on order and option will work out at something approaching $60m.-$70m.

While Lockheed executives said that they would take no action immediately, it would appear that the company is in far too shaky a condition to bear the extra cost, and that it will seek to pass it on to its airline customers in the form of a higher price for the TriStar.

It remains to be seen how this will be received by the airlines, which have already seen the aircraft price rise before and have lived through several months during which Lockheed's future hung on a knife-edge while Congress debated whether to grant it $250m. in loan guarantees.

Lockheed has been holding a series of meetings with the airlines to finalise their L-1011 contracts, following the passage of the guarantee legislation some two weeks ago. However, the company officials would not say whether any new meetings would take place, these meetings have been on an individual basis, and it is not known whether the company will call a full, multi-lateral meeting of all the airlines if the surcharge is not exempted.

The Administration's problem was that it would be extremely difficult to grant an exemption without thereby also penalising other aerospace companies.

An exemption for Lockheed would have been especially damaging for McDonnell Douglas, which is building the DC-10, a direct competitor of the L-1011. The DC-10 wing sections are manufactured in Canada, and are therefore subject to the surcharge. A Congressional investigation found that the DC-10 wings account for 15 per cent. of the aircraft's total cost, while the RB-211 engines account for a similar proportion — 17 per cent.—of the cost of the L-1011.

U.K. reaction

Michael Donne writes: The reaction in Whitehall was calm yesterday to the reports that the RB-211 engine will now have to bear the U.S. 10 per cent. import surcharge.

The Minister for Aerospace, Mr. Frederick Corfield, is understood to have been given notice of the U.S. Government's position earlier yesterday, and he is now considering it.

But, overall, the attitude appears to be that it is not likely to be quite so disastrous an additional impost as was at one time thought likely, especially since the TriStar's rival, the McDonnell Douglas DC-10, will also have to bear the surcharge on those parts that are built abroad in Canada, the U.K., Italy and Japan.

Whether the impost is really as damaging as was feared remains to be seen. Certainly, it is felt in the U.K. that any increase in the price of the TriStar or its RB-211 engine, from whatever source is something that ought to have been avoided at this time.

Deadline

One aspect of the matter that is of particular concern to the U.K. is whether or not, in the light of the uncertainty over the price of the engine in the last week, Lockheed can complete all its contractual negotiations with banks and airlines in time to meet the already-extended deadline of August 24 set by the U.K. Government.

The view prevailing is that this is now seriously in doubt, and it would not surprise many in aviation circles to find that this deadline is extended once again, either to the end of the month or to the early part of September, in order to give Lockheed more time to resolve outstanding contractual problems.

Japan stops speculative selling

BY AL CULLISON

TOKYO, August 19.

ANGRY Finance Ministry officials intervened in the Tokyo foreign exchange market to-day when it became apparent that some of the big Japanese banks were off-loading dollars hastily borrowed from American and European financial institutions in highly speculative moves.

The Finance Ministry, alerted by the Bank of Japan, discovered that $11m. of the total of $600m. bought up by the Central Bank in dollar-support actions on the market were actually resulting from six-months forward buying. Although the figure was not really impressive, it came as a shock that some of Tokyo's most prominent banking institutions were not playing the game.

Central Bank authorities lost no time in calling on the guilty banks to stop all forward purchases of dollars and to re-enter the market immediately and buy back all yen involved in specifically speculative deals. The major foreign exchange banks were then ordered, early in the afternoon, to suspend all spot transactions in dollars to avoid actual speculative selling.

Officials of the Bank of Japan also decided to draw bills for sale on the domestic money market as a method of siphoning off surplus liquidity caused by massive dollar sales. Both decisions resulted from an emergency session of the central bank's policy board.

Mr. Yusuke Kashiwagi, adviser to the Japanese Finance Ministry, said yesterday in Paris, there was no question of revaluing the yen, nor of floating it. He made the comment after discussions on the dollar crisis at the French Finance Ministry. He is to have talks in Washington to-day.

Japan follows a foreign exchange holding restriction system under which the Central Bank purchases all foreign currency with yen and places the imported currencies in the foreign exchange fund special account.

Finance Ministry authorities agreed in consultations with the central bank that Eurodollar funds also were causing some of the problems. Later in the day an unusual order was issued by the Ministry that all foreign exchange banks should not take in Eurodollars beyond the amount held as of Wednesday.

According to Finance Ministry sources, it is problematical whether the foreign exchange market will open to-morrow.

Japan was to-day expecting Mr. Paul Volcker, the U.S. Undersecretary of the Treasury, to come to Tokyo for talks next week, and observers said the Government would be disappointed, to say the least, at the Treasury's denial of the Volcker trip and the State Department's statement that no decision on sending a U.S. official to Japan had been made.

At this time the Japanese appear to be swinging to the belief that it would be preferable to revalue the yen upwards than to put up with the direct handicap of the surcharge. The major concern here is whether Japan will be pressed to choose between a large upward yen revaluation or an extension of the American surcharge.

Swiss Government waits for firm lead from Brussels

BY OUR OWN CORRESPONDENT

ZURICH, August 19.

THE SWISS National Bank stayed out of the foreign exchange market again to-day and, according to a Zurich spokesman, is "very unlikely" to resume operations to-morrow. Unofficial trading continued, however, on the part of the commercial banks, the dollar remaining at just below the SFr 4 mark. The gold price improved slightly to SFr43.30/43.50.

The Swiss Government continues to keep its own counsel on the current monetary crisis, both the Cabinet and the National Bank having in the past days made it abundantly clear that Switzerland will wait for the decision of the Common Market countries as to future European steps in the monetary sector. The Cabinet is, it says, "standing by" to review the situation as soon as there is any new development.

Both Berne and the business world attach the greatest importance to solidarity of policies within the EEC on this point, and it seems likely that Switzerland will try to go along with any multilateral decision taken. The provisional acceptance of a split rate for the dollar would seem to many here to be the lesser evil—indeed, the existing situation of banks and bureaux de change offering a rate below the National Bank's intervention level, while the National Bank states its preparedness to accept given amounts from tourist exchange transactions at the official rate, boils down to a de facto splitting of the market already. Swiss Bankers have for some time now been foreseeing a rate split, with the higher, official level for goods and services transactions and a lower, free-market quotation for other purposes.

Swiss participation in a European currency float would doubtless be much more unpopular. Particularly the exporting interests and their influential trade associations would protest at what could well become an aggravation of the effects of May's revaluation and the U.S. 10 per cent. import duty. Overall Swiss economic thought has in any case always supported optimum stability in the foreign-exchange field, and floating is considered by most to be advantageous only in very specific regional cases.

French dollar inflow

PARIS, August 19.

THE BANK of France disclosed to-day that more than $1,000m. worth of foreign exchange flowed into France's official treasury in the three weeks before President Nixon announced his new economic measures and the Paris money markets were closed to halt the inflow.

The Bank's weekly statement, made public to-day, showed that France's official currency reserves grew during the week ending August 12 by the equivalent of Frs.535,191,268.21 (£40,544,793) despite France's August 9 repayment of a $608m. debt to the International Monetary Fund from her currency reserves, and orders that went out to commercial banks in France on August 4 that they should not accept foreign currency from speculators.

In the banking week which ended on August 5, France's official reserves grew by the equivalent of Frs.1,096,804,920 (£83,091,281) even faster than during the previous week when French reserves grew by the equivalent of Frs.997,358,347 (£75,557,450). UPI

Bid to protect U.S. tourists

BY JOHN HUNT

THE BRITISH Tourist Authority has launched a campaign to prevent hoteliers and shopkeepers taking advantage of the dollar crisis by fleecing American tourists.

A spokesman for the Authority said that a small minority of establishments had seized on the confusion over the dollar exchange rate as an opportunity "to make a fast buck."

Raw deal

The BTA has taken out advertisements in national newspapers to-day appealing for a fair deal and stating that danger signs have started to appear.

"Exorbitant rates could be charged by a few in the tourist trade when changing travellers' cheques and dollar bills," they say. "This must not happen."

A spokesman for the authority said last night: "If an American gets a raw deal here now it means that we have lost a tourist. Then he will go back home and tell all his friends about it."

He called upon shops, hotels and restaurants not to be reluctant to accept the dollar which was still "good money."

The BTA advertisements appeal to all establishments to be guided by the banks on the dollar conversion rate which they charge.

"This summer there has been evidence of over-charging by a few hotels, mainly of inferior standard," they say.

The clearing banks and agencies such as Thomas Cook and American Express reported that the demand for sterling by American tourists had slackened off from its peak although it remains strong.

The conversion rates were unchanged from the previous day. They were: Midland Bank, Barclays and Lloyds, travellers' cheques $2.52, notes $2.55; National Westminster, travellers' cheques $2.52, notes $2.55; Thomas Cook, travellers' cheques $2.52, notes $2.58; American Express, travellers' cheques $2.52, notes $2.60.

An official at Cook's said the company had "taken a pasting" and lost £1,500 by accepting dollars at the old rate on Saturday morning.

Why the dollar tourists will keep on coming

BY ARTHUR SANDLES

IT IS very tempting to have a wry smile about the blue-rinsed ladies from Arkansas and the troubles they have been experiencing with their dollar bills and travellers' cheques over the past few days. "Sorry darling," said the man at his stand in the Shepherd's Market, Mayfair. "I can't take your dollars . . . got any of those Japanese yen?" The passers-by grinned and the American tourist was somewhat embarrassed. See how the mighty are fallen.

But the crude facts are that Britain cannot afford to laugh too loudly or too long about the plight of these annual summer invaders. Americans contribute more than one third of our massive tourist income (£497m. last year including fares, a figure now approaching 5 per cent. of total U.K. exports). The American is the backbone of the "milk-run" travel industry—the London-Oxford-Stratford-Edinburgh-London route. He spends three times as much per day on his stay as the Frenchman or German, and recently he has been coming in ever-increasing numbers.

Special place

Britain over the past decade has developed a very special place in the American traveller's heart. Last year the final hurdle was crossed and the U.K. overhauled the Bahamas as the American's favourite overseas destination. This year, while the rest of the world has suffered from the effects of the American recession, Britain has continued to prove as magnetic as ever. European traffic from the U.S. has dipped by 7 per cent. this year while British business has increased by 13 per cent. The difference is accentuated when it is realised that the British increase is included in the figures which produced the European loss.

There is no doubt that the continued success of Britain in the American market is something of a mystery. We speak English, our prices are still lower than in many parts of the tourist world, we have political stability (American tourists seem to think that Ulster is part of the Irish Republic) and we are generally amenable to foreigners. These are all guesses at the factors which contribute to the British tourism ethos. But there is no altering the fact that events like those of the past few days make some people in the travel industry worry about whether the whole business is not just a little too sensitive.

But before anyone starts getting concerned about large numbers of Americans being warned off travel, it is worth noting that very few U.S. residents ever leave the country apart from when they are in uniform. Only 4.3 per cent. of the population have passports compared with around 14 per cent. of Britons. Last year 5.26m. Americans travelled overseas while Britain, with a quarter of the population, sent 5.75m. abroad.

So far, considering his wealth and opportunity, the average American has shown very little inclination to travel. The potential market is enormous.

At the moment the British Tourist Authority is carrying out a survey among Americans visiting the U.K. this summer to find out why they are here and where they go. The BTA has been fairly energetic about research in the past as well as promotion but it is a field in which almost all ground covered is new ground. It is surprising how little is really known about the massive business of tourism.

But enough work was done to convince hoteliers in Britain that the growth in tourist traffic from the U.S. over the next few years would be appreciable. Between 1970 and the end of 1973 a further 100,000 bedrooms may well be added to the U.K. hotel stock, a building rush sparked off, of course, by the Hotels Incentives Scheme. Nearly half of these rooms will be in London.

There is little doubt that the present problems for the dollar will result in a stay-at-home mood for Americans for at least the next year. When President Johnson made his appeal to Americans to holiday within their own borders in the late Sixties it produced a small, but noticeable, slowing of the growth figures. But there is no reason to think that an appeal will have any drastic effect on American travel habits.

Repercussions

It would be a different matter if the U.S. Government were to apply some form of travel allowance. When the U.K. limited its allowance to £50 the immediate effect was to reduce spending overseas by British tourists from £320m. to £300m. after years of steady growth. However, once the limit was removed the spurt in spending was considerable and last year the British parted with £470m. in foreign parts.

It is hardly thinkable that the U.S. would impose an equivalent limit, of $120, since this would last less than a week in the U.K. at the present rate of spending. Also, a travel allowance limit would have severe repercussions with the U.S.'s neighbours Canada and Mexico where the traffic is vast and unrestricted by such formalities as passports.

What is much more likely to have an impact on traffic and a favourable one as far as the U.K. is concerned—is air fares. If the normal trans-Atlantic air fare is reduced to, say, £55 the effect could be dramatic—if it is not, the BOAC research department has made a terrible mistake. It should not be long now before the result of the airline talks on North Atlantic fares is finally known.

To this must be added the fact that if the European currencies float upwards against the dollar it is highly unlikely that the pound will go as high as the Mark or Franc. In tourism terms these two countries are our main competitors. While we attracted 1.36m. Americans last year the French drew 996,000 and the Germans 922,000.

The French have a reputation for unfriendliness to Americans which dates back to the days of de Gaulle. The experiences of the Americans in France during the past few days may not help either. The French are very chauvinistic when it comes to money matters. Earlier this year I queued at three different counters to go through the various stages of changing money in a bank at Lyons. At last, in frustration, I muttered in halting French: "Obviously few Frenchmen have the time to have bank accounts." Swift as a dart the clerk snapped back: "If the English pound was more reliable the service might be quicker." There must have been many an exchange worse than that in France this week.

Britain has a fairly good reputation for friendliness. Whether we have succeeded in keeping things that way during the past week remains to be seen. Obviously the BTA is worried, or it would not be spending money in this and other newspapers in telling everyone concerned not to exploit the visiting Americans.

"In the past," it says, "we have been told by many thousands of departing tourists that warmth of welcome and fairness of dealing are two of the principal characteristics whicl Britain a pleasant coun visit. We now have the of demonstrating how tr can be. . . . This summer has been evidence of over ing by a few hotels, mai inferior standard. Exo rates could be charged by in the tourist trade when ing travellers' cheques dollar bills. This mus happen."

It might well be argue the Caribbean sacrifice strength in the American t market by thinking that could be squeezed from visitors than was in fa case. To-day, around 55 pe of American travellers come to Europe, compared 31 per cent. to the West I and Central America. Those do come here spend rather than they would in the C bean sunshine—some $4 head compared with $415, e ing fares. Total Ame expenditure on holidays a in 1970 (not Mexico and Ca reached $2,184m. Some 5 cent. of that ended up in Eu

Beeline

Part of the problem for tourists to-day is that they not as well off as they us be. Although American ove travel has trebled in the decade (2.5 per cent. of population went abroad last compared with 0.9 per ce 1960) expenditure has doubled. In a store like A scutum they tell you that Americans don't make a be for the vicuna and cashmere they used to.

But lower spending or no prospects for 1972 as fa Britain is concerned seem t set fair. But what is goo us might also be good for t Lower air fares and a sli cheaper dollar could well power to the elbow of the Travel Service in its cam to get Britons to go to the S —America's biggest sour inter-Continental tourists is U.K. The airways could be in 1972.

Outside Buckingham Palace—Mr. and Mrs. Lloyd Ross from Portland, Oregon. Americ contribute over a third of Britain's huge tourist income.

Baltic Exchange uncertainty

BY JAMES McDONALD, SHIPPING CORRESPONDENT

DRY-CARGO tramp ship chartering on the Baltic Exchange has been brought almost to a standstill because of uncertainty over the future exchange rate of the U.S. dollar. Many tramp ship charters, particularly in U.S. grain and coal, are transacted in dollars and shipowners, as a result, are reluctant to accept charters until the situation is stabilised.

This freeze in trading is imposed upon an already depressed tramp charter market. Some owners who fixed long-term charters in dollars during last year's freight boom are concerned that a virtual devaluation of the dollar could seriously reduce the profits estimated at the time of charter.

Biggest customer

The currency exchange crisis comes at a particularly bad time for shipowners with rates already depressed. Many owners of the smaller, older-type, tramp tonnage have been incurring heavy losses for several months as a result of the world-wide drop in freight rates.

The impression of some observers on the Baltic is that the currency crisis may produce a further substantial increase in laid-up shipping since the prospect of Japan—the chartering market's biggest customer in the past—resuming normal chartering operations in the near future have become even more remote.

Before the currency exchange crisis appeared it had been hoped that the sharp reduction in Japan's imports of coal and ore since October last year would generate a demand for replenishment of its dwindling stockpiles by the spring of next year. But according to recent reports from Japan the Government-imposed cutback in steel production has not run down stock-piles to anywhere near the extent originally envisaged.

There is an expectation that Japan may cut-back even more now that it has suspended steel exports to the U.S. because of the uncertain trade and monetary situation. This, of course, could be only a temporary measure.

Statistics issued by the Japan Ship Exports Association show that steel production in Japan last year totalled 46.6m. metric tons—a fall of 35.6m. tons from the 1969 output of 82.2m. tons. In effect this means that crude steel output in Japan is now back almost to the 1966 level and may be even lower this year.

Before the U.S. announcement last week-end, tramp freights had been improving slightly in the Atlantic grain trades, under pressure of demand for tonnable able to load before the threatened dock strike on the U.S. East Coast at the end of next month. A 38,000-tons bulk carrier obtained $3.50 per ton for two consecutive voyages with grain from the U.S. Gulf to Holland, commencing late-October, the highest rate in this trade for nearly three months.

Dollars only for tourists in Spain

By Our Own Correspondent

MADRID, August 19.

THE SPANISH banks to-day were carrying out foreign trade operations based on payment in U.S. dollars whereas operations in other currencies remain frozen until further notice by the Bank of Spain.

Tourists were allowed to exchange limited amounts of foreign currency into pesetas at the officially established rate but could not buy foreign currency with the exception of U.S. dollars.

Local businessmen are less worried to-day after the official announcement made last night—in the wake of the meetings in Seville of Cabinet members and monetary authorities—that the peseta is solid and that no retaliatory measures will be taken against the U.S. trade restrictions.

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Our profit comes out of our fee; never out of the cost of your building.

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Improving financial help for small concerns

BY HAROLD BOLTER, INDUSTRIAL CORRESPONDENT

FOUR MAIN recommendations aimed at improving the provision of financial support for expansion by Britain's smaller companies are made in a new report for the Bolton Committee, released yesterday.

The study, commissioned by the Bolton Committee of Inquiry on Small Firms from the Economists Advisory Group, suggests that most smaller concerns do not know where to look for finance and that they are often ill-advised.

"Because of the rudimentary methods of accounting and financial control in many small firms, lenders find it difficult to get information on which to judge credit worthiness," said Professor E. V. Morgan, chairman of the EAG.

The report therefore recommends that the Bolton Committee, due to report in October, should consider setting up an institution, supported by public funds if necessary, to advise small concerns on sources of finance and on the setting up of simple but effective accounting and financial control systems.

Although this is the EAG's main recommendation, it has been somewhat overtaken by events. Earlier this week the Smaller Business Association announced that it intended to establish a commercial service offering this sort of advice.

The EAG also recommends that the Bank of England encourage the granting of acceptance credits and discount facilities so that small companies can make more use of bills of exchange.

Mortgage loans

In addition, it believes that insurance companies and pension funds should reduce their minimum size limits for mortgage loans and sale and lease-back transactions. Finally, it feels that the Stock Exchange should reduce the size limit on new issues and relax its rules on the publication of prospectuses in the Press.

The EAG study also emphasises that present tax rates, combined with inflation, make it difficult for smaller concerns to finance expansion from internal sources. Heavy taxes also reduce the traditional flow of personal savings to small businesses through informal channels, increasing dependence on the institutions, it says.

Professor Morgan pointed out that small companies have to face several disadvantages in borrowing from institutions.

All transactions involved overhead costs that bore more heavily on small transactions than on large ones, he said. Small companies were relatively risky, as was shown by their failure rate and the variability of the rate of return on capital earned by those which survived.

Moreover, loans to small concerns provided lenders with somewhat illiquid assets. Nevertheless, the EGA did not believe that there was a need for new institutions to provide capital for smaller businesses.

The study released yesterday is one of a series of 18 commissioned by the Bolton Committee.

Committee of Inquiry on Small Firms: research report No. 4, financial facilities for small firms. SO: £2.15.

Port Talbot steel strikers to stay out

BY ALEX HENDRY, LABOUR REPORTER

A MASS MEETING of 2,000 white-collar workers at the State-owned Port Talbot steelworks voted overwhelmingly yesterday to continue their unofficial pay strike.

The strike, which began last Monday, has already cut production by 10 per cent. and a spokesman for the British Steel Corporation said last night that the accumulated effect "is becoming very serious."

The white-collar staff came out on strike when local negotiations on an 8 per cent. pay claim failed to produce a settlement. Local management wanted the claim to be referred to the next stage in the agreed procedure and suggested this to the negotiators at a meeting last Friday. Within a few hours of that meeting ending an unsigned letter was delivered to the management at the plant advising that the strike would begin on Monday.

Mr. Stanley Biddiscombe, local official of the Iron and Steel Trades Confederation, attended yesterday's mass meeting and recommended the strikers to return to work. He said later: "I told them they should return so that their claim could be dealt with. They voted overwhelmingly to stay out."

The strikers decided later they would ask their union's national executive to give official backing to their dispute. The union recently negotiated pay increases of more than 6 per cent. for its hourly-paid workers in the industry in advance of the current pay deal running out next year.

The increases were paid as a "topping up" exercise because of the increase in the cost of living since the original agreement was signed. The white-collar workers are demanding 8 per cent. to "top up" their existing agreement which runs out in January next year.

Their jobs include production control, processing customers' orders, wages and general office duties. Although steelmaking can continue without them a prolonged strike would be very disruptive and could force a heavy cutback in production. The strikers will meet again next Tuesday.

SE Council to tighten rules on interests in contracts

BY NICHOLAS LESLIE

THE Stock Exchange Council is to tighten up the requirements whereby directors' interests in contracts of a public quoted company must be disclosed in the directors' report of such a company. This is because the Council considers that there should be stricter criteria than under the 1967 Companies Act for determining what contracts should be disclosed.

Under Section 16 of the 1967 Companies Act, a contract to be disclosed is one which, in the directors' opinion, is of significance in relation to the company's business and in which the director's interest is, or was, material.

The Council's new requirements take the form of interpretation of Section 16. Thus, a contract will include arrangement and also a contract with a company's subsidiary. A contract of significance will include one or more contracts in which the director has a material interest and which in aggregate equal more than 1 per cent. of total purchases, sales, payments or receipts—in the case of capital transactions the criterion will be 1 per cent. of net assets.

Interpreting "interest," the Council indicates that the same criteria as under the 1967 Act will be applied, thus extending to a director's wife or infant childrren, but will in addition relate to a director's interest through any corporate body where morethan 10 per cent. of the equity or voting power is held.

These form the bulk of the requirements, and they will come into force for prospectuses issued on or after January 1, 1972, and to newly-quoted companies and to directors' reports for financial years starting on or after that date. In disclosing interests under the Council's new criteria, their nature need only be started as required by the 1967 Act.

Major defects in unions Act code, says Nalgo

SOME trade union members could be prevented from taking part in legal strikes because of a clause in the Government's code of industrial relations practice, Mr. Walter Anderson, general secretary of the National and Local Government Officers Association, said yesterday.

In a letter to Mr. Robert Carr, Secretary for Employment, he says he hopes a number of "major defects" in the code will be changed before it is put before Parliament later this year. The code is not enforceable but failure to observe its guidelines could be decisive in any action brought under the new legislation.

Professional men

Mr. Anderson says that the clause in the Government's code which says anyone who belongs to a profession has an obligation to comply with his professional code will encourage professional or quasi-professional groups to adopt codes of conduct that rule out strikes.

He adds: "Such a code could be enforced against the individual who was also a trade union member."

Nalgo has already had practical experience of the problem of members who also belong to a professional group. During the dirty jobs strikes last year some members were expelled because they worked during the strike. They argued in their defence that their professional code of conduct demanded they had a duty to the public.

Mr. Anderson also says that the section of the code dealing with collective bargaining—with its emphasis on the interests of minority groups and professional workers—is an invitation to "disrupt stable negotiating arrangements which are at present acceptable to all parties."

BBC admits to 'error of judgment' in Ireland report

BY RICHARD EVANS, LOBBY CORRESPONDENT

FOLLOWING CRITICISM made by Lord Carrington, Secretary for Defence, the BBC yesterday accepted that it was guilty of an error of judgment in its reporting of an incident in Northern Ireland recently, but rejected criticisms of its coverage levelled by Mr. Evelyn King, Conservative MP for South Dorset.

Mr. King wrote to Lord Carrington on August 12 complaining about the BBC's reporting of a number of incidents, and in a reply sent to the MP yesterday Lord Carrington supports his protests, saying they "have not gone unnoticed by my Department."

Firm

But in a statement issued later, the BBC, after giving chapter and verse on the five allegations made by Mr. King, firmly rejects them all.

Lord Carrington had claimed that these were not the only items in this category.

He cites a "World at One" broadcast on Radio 4 on August 10 which carried an item on the death of a Roman Catholic priest the previous day.

"This item took the form of an interview with an unnamed Irishman who claimed to be the man to whom the priest was giving the Last Rites when he was shot, and who alleged that the priest had been shot in the back by a British soldier," Lord Carrington writes.

"This statement was apparently accepted without question by the chairman of the programme, who summed up with the words: 'An eye-witness putting the blame fairly and squarely on the British Army'."

On this specific case, the BBC replied: "We do not defend the use of the item on the shooting of Father Mullan. In our view it was an error of judgment to use this part of the interview."

Lord Carrington adds that he had taken part in a recent BBC Television programme and had taken the opportunity to express the utmost admiration for the work of the Army in Northern Ireland.

"I believe quite firmly that this admiration and gratitude is shared by the vast majority of the people of this country and that on those occasions when the BBC's reporting falls below the standard of fairness and accuracy which we are entitled to expect, the main effect is to damage the Corporation's own standing with the public."

Lord Carrington has sent a copy of the letter to Lord Hill, chairman of the BBC, together with a covering note emphasising that he does not regard all the BBC's recent reports and discussions on Northern Ireland as unbalanced or unfair.

"On the contrary," he writes, "I think some of them have been wholly admirable. But I am nonetheless concerned about the instances which are cited in Mr. King's letter and the additional example quoted in my reply."

He hopes that Lord Hill will agree that the examples are unsatisfactory and that everything possible should be done to prevent repetitions.

Options open to money markets

THE Investors Chronicle this week looks in detail at the implications of President Nixon's measures.

Paul Bareau maps out the options open to world money markets in the quest for a reasonable stability of exchange rates. This is followed by a survey of the effects of the 10 per cent. import surcharge on the major British exporters to the U.S.

Finally, there is an assessment of the short- and long-term effects on the equity markets most affected, notably Wall Street itself and Tokyo.

EPTU ballot on Market opens to-day

A MAJOR ballot of trade unionists on the Common Market begins to-day amongst the 420,000 members of the Electrical and Plumbing Trades Union.

The postal ballot, being conducted by the Electoral Reform Society, will cost between £16,000 and £18,000. Until now the union has followed a "wait and see" policy but the executive wants a clear-cut decision before the TUC and Labour Party annual conferences this year, both of which are expected to vote against entry on the terms negotiated.

The ballot result, however, will not determine union policy. It will be a guide but the final decision will rest with the executive. It is a distinct possibility that less than half the members will bother to vote

In the recent election for a general secretary fewer than 100,000 members voted, just over two to one in favour of Mr. Frank Chapple. In fact, the number who bother to vote might be a more significant factor than the result.

Many pro-Marketeers believe that by the time the TUC and the Labour Party get round to taking a decision in September and October public opinion against the Market will have shifted significantly, either through conversion or resignation, to the fact that the Government is going to take Britain in.

Man who would not join union sues over sacking

ENGINEER faced dismissal because of his conscientious objection to joining a trade union, the High Court was told yesterday.

That, said Mr. Jack Hames, counsel for Mr. John William Hill, aged 63, was in spite of the fact that for years Mr. Hill and his colleagues had been dissuaded by their employers from joining a union.

Mr. Hill sought an order stopping C. A. Parsons and Co., of Newcastle, ending his employment.

Mr. Hames said that Mr. Hill joined the company in 1936, and company policy was to dissuade engineers in his category from joining a union.

Policy change

But company policy had now changed, and it sought to compel Mr. Hill to join a union, which, on conscientious grounds, he found himself unable to do.

Mr. Hames said that, following publication in 1968 of the Donovan Report on Trade Unions, Parsons and the union, Draughtsmen and Allied Technicians Association, agreed that certain categories of Parsons's staff were to be members of DATA.

Parsons told senior engineers last month that, within one month, their contracts of employment would include a term making union membership compulsory. Mr. Hames contended that unless persons concerned consented, contracts should remain unchanged. "There was no consent in the case of Mr. Hill or some 35 other engineers," he said.

Parsons took the technical point that, whether or not Mr. Hill's contract had been properly terminated, his remedy was damages and not the order now sought, said Mr. Hames.

Mr. Hames submitted that because the agreement between the company and DATA was obtained under duress, it was doubtful whether it was enforceable.

The hearing continues to-day.

Speed up road building—RAC

BY JOHN HUNT

BRITAIN has fallen so far behind the rest of the world in building new roads that annual spending on highway construction would have to be doubled to catch up, says a report by the Royal Automobile Club.

It sees an urgent need for more constructive measures and for less restrictive policies. Although the number of vehicles in Britain had increased by two thirds in the past decade expansion of new roads had not kept pace.

"It would be necessary to spend nearly £300m. a year more—double the present annual level—to reach parity with other nations.

"Spending on the roads by the governments of the six Common Market countries has been increasing at an average annual rate of 12.3 per cent. over the past five years, compared with 5.9 per cent. in Great Britain."

National system

Mr. Wilfred Andrews, chairman of the RAC, in a foreword to the report, says more rapid progress is essential despite the decision to expand inter-city motorways. He urges constructive plans for the development of the urban motorway network to provide a comprehensive national road system.

He complains of the "ever-widening gap between the immense revenue from motoring taxes and the Government's expenditure on roads."

Mr. Andrews says the RAC campaign against motor taxation will continue. "At a time when petrol companies are increasing the price of motor fuel it is more important than ever that the Government should reduce the 22½p tax which is the major part of the cost of every gallon of petrol."

The RAC report, entitled "Protecting the interests of the motorist" covers the Club's policy activities over the past year.

Chloride to close Bolton separator factory

BY DAVID WALKER

CHLORIDE Electrical Storage is to close the lead-acid battery separator factory of its Lorival subsidiary at Darcy Lever, near Bolton.

The news was given yesterday as yet another machine tool factory closure and more redundancies were announced by Tube Investments.

The TI move affects 95 people, while 260 are involved in the Chloride Electrical Storage shutdown, which is to be phased from the end of the year. Some of the latter will be offered jobs at the nearby Little Lever general plastics plant of Lorival, which is unaffected by the proposals.

Separator manufacture is to be transferred to the Dagenham unit of Electric Power Storage, Chloride's major battery producing subsidiary well known for its Exide and Dagenite products. This already has a separator manufacturing plant with spare capacity.

The move comes at a time of particularly strong demand for lead-acid batteries, especially from the vehicle industry, but was said by the group to be "essential to maintain competitiveness in home and overseas markets."

The TI plan involves the closure of its Pitter Gauge and Tool factory at Woolwich, South London, and the transfer of production from there to the group's four other gauge factories.

About one-third of the plant's 95 employees are expected to be offered other jobs elsewhere in the group. Over the past year, intensive rationalisation combined with the depressed state of the machine tool industry has resulted in the loss of around 1,000 jobs within TI's machine tool division. In the same period the industry as a whole has shed more than 3,000 workers.

BANK RETURN

—	Wednesday August 18 1971	Inc. + or dec. — for week
LIABILITIES	£	£
Capital	14,553,000	
Public Deposits	14,943,656	+ 3,594,264
Special Deposits	412,700,000	+ 10,700,000
Bankers	171,463,500	— 11,753,559
Reserves & Other A/cs	270,451,821	+ 18,924,157
	884,112,277	+ 10,764,892
ASSETS		
Govt Securities	733,562,712	+ 12,236,000
Advances & Other A/cs	25,841,715	— 22,416
Premises, Equip't & Other Secs.	82,532,708	— 340,615
Notes	43,273,359	— 1,178,475
Coin	1,012,385	— 22,704
	884,112,277	+ 10,764,892
Reserve	44,285,644	— 1,201,179
Bank Rate	6%	—

ISSUE DEPARTMENT

	£	£
LIABILITIES		
Notes Issued	3,775,000,000	— 25,000,000
In Circulation	3,731,726,741	— 23,821,525
In Bank's Dept.	43,273,359	— 1,178,475
ASSETS		
Govt. Debts	11,015,100	—
Other Govt. Secs.	3,397,621,013	— 24,321,775
Other Securities	366,213,887	— 628,224
Coin	150,000	— 50,000
	3,775,000,000	— 25,000,000

Computer will analyse holiday troubles

BY ARTHUR SANDLES

BRITAIN'S second largest tour operator, Thomson Holidays, launched its 1972 holiday programme last night with a target of 474,000 passengers, a computerised "satisfaction" scheme and a promise that no unbuilt hotels will be included.

Mr. Bryan Llewellyn, managing director of Thomson Holidays, said that 1971 profits (including sister company Britannia Airways) should be marginally up on 1970 levels of £620,000. In 1973 they should top £1m.

Mr. Llewellyn unveiled a scheme for handing questionnaires on holidays to all passengers. These forms would be analysed with the aid of a computer and the results made available to the whole travel industry.

Mr. Llewellyn rejected the suggestion of Mr. Tom Gullick, managing director of Clarksons, made last week that there should be a watchdog body for tour operating. The tour operators as a group could do the job, he argued.

From provinces

The Thomson brochure offers holidays from £19 for seven nights and a big increase in the number of departures from provincial airports in Britain. Three million copies of the brochure will be distributed.

At the same time, Thomson has published a new brochure for its long haul Thomson Royal holidays to various destinations including Asia, South America and the Caribbean. Its newest venture — charter-holidays to Jamaica for £145, is in both the Thomson Royal and main Thomson brochure. The group's new 707 jet will be used for this scheme.

BP forms new U.K. operating company

BRITISH PETROLEUM has set up a new U.K. operating company, BP Oil Ltd., to take over BP's 40 per cent. interest in Shell-Mex and BP Ltd.

BP Oil will take over BP's four U.K. refineries, Grangemouth, Kent, Llandarcy and Belfast, as well as the shareholding in BP's other U.K. marketing subsidiaries.

It is also envisaged that U.K. oil and gas production on and offshore will become the responsibility of BP Oil later. Oil and gas exploration will remain under the control of BP Petroleum Development, and the U.K. chemical interests will continue to be the responsibility of BP Chemicals International.

SPORT: CRICKET . . . SOCCER

Middle order batsmen rescue England again

BY TREVOR BAILEY

THE OVAL, August 1[9]

ENGLAND, having the good fortune to bat first on a slow pitch which is likely to become increasingly receptive to spin in the later stages, failed, perhaps, to make the most of the opportunity because once again the first five batsmen failed to amass 150 between them.

Nevertheless there was another fine recovery and that England totalled 355 all out was due mainly to three distinguished innings by Jameson, Knott and Hutton, all belligerent in nature but all different in the manner of their execution.

Jameson was powerful and orthodox except when he tried, not entirely convincingly, to emulate the leg-side placements of his county colleague Mike Smith. Alan Knott used his feet to disconcert the bowlers, swept with gay abandon and improvised with considerable originality. The most impressive feature of Richard Hutton's knock was his front foot offside driving.

Illingworth won the toss for the third time in the series and naturally decided to take strike on this easy-paced wicket. All the portents indicated a large score, but once again the England openers failed when Luckhurst almost ruptured himself chasing a wide half-volley and was caught with only five runs on the board.

Jameson was quite unperturbed by this setback and was soon moving briskly towards a splendid half-century which included two perfectly struck sixes over mid-off. In sharp contrast, Edrich began uncertainly, and Solkar, in addition to an unsuccessful lbw appeal, had him playing and missing on three occasions. Yet, one of the signs of a class batsman is his ability to score even when out of touch and so at lunch England were happily placed at 97—1 with Edrich playing with ever-increasing confidence, 33 not out.

In the afternoon session, this position of strength was dissipated by some indifferent batting, accurate slow bowling and one suicidal single. It all began when Edrich was caught behind off a faster ball from Bedi. Fletcher hung around for some 20 minutes before being caught at slip trying to cut a delivery which drifted in with the arm, instead of forcing it away with a straight bat, to give Bedi his second wicket.

ENGLAND: 355 (Knott 90, Jameson 82, Hutton 81).

Jameson, although not as flowing as in the early stages, seemed destined for the century he deserved when he was unnecessarily run out by D'Oliveira. The Worcester batsman was unable to make amends wi[th a] large personal score beca[use] soon afterwards he holed ou[t to] mid-off, failing to reach the pi[tch] of the ball and at 143-5 Engl[and] were clearly in trouble.

Yet again, the middle orde[r, in] the persons of Knott [and] Illingworth began to br[ing] cricket sense to the proceedi[ngs] until the latter was clean bow[led] uncharacteristically attempt[ing] to pull Chandra. Hutton be[gan] with an involuntary four off [an] inside edge, but Knott rode [his] luck and reached a very ent[er]taining 50. In fact this pair [put] on 50 in under 26 minutes wh[ich] is lively in any cricket let alo[ne] a Test.

The Knott-Hutton stand co[n]tinued to sparkle and pros[per] after tea so that when the n[ew] ball was taken, the total h[ad] reached the comparative r[es]pectability of 268. Knott w[as] very much the senior partn[er] but he did receive sensible s[up]port from Hutton who [ex]perienced some embarrass[ing] moments against Chandra. T[he] valuable partnership added [...] before Knott was caught a[nd] bowled by Solkar.

Snow failed to rise to t[he] occasion but this was not to [...] the end because Hutton found [a] fresh ally in Derek Underwo[od.] These two took the score fr[om] 284 to 352 when Hutton w[as] bowled through the gate for [an] excellent 81.

Chaos on the soccer field

EVERYONE who follows soccer must be worried by the hooliganism off the field and the petulance on it which ruined so many games last season and led to the closure of grounds and long suspensions of players.

In a deliberate effort to improve the situation, the FA have instructed their referees to tighten up and the results have already been chaotic and bordering on farce.

In the 29 League matches this week 70 players have been booked and three sent off. If things continue on this scale the disciplinary committee will be forced to sit night and day to deal with the offenders.

Violence on the field unquestionably begets violence on the terraces but it must also be remembered that a referee who uses his whistle too often can produce exactly the same effect.

Some of the bookings this season have been for really trivial offences which can only have upset players, spectators and managements.

On the other hand, the players themselves are far from blameless. I find it difficult to sympathise with Georgie Best. Why argue with the referee? Why not leave this to the captain? All referees will make mistakes from time to time and they are most unlikely to be impressed by biased and impassionate appeals.

Much of the trouble unquestionably stems from a basic lack of self-discipline among professional footballers. Nobody enjoys being the victim of an illegal tackle, but this is no excuse for kicking the offending opponent, an offence which I feel automatically justifies an immediate dismissal from the contest.

This lack of self-control by so many players is one of the fundamental causes of the present trouble. There are exceptions and Geoff Hurst and Bobby Charlton spring readily to mind; but far too many players seem to lose their tempers when provoked. This being the case, managers, whose jobs depend more on results than o[n] how they are achieved, a[re] tempted to instruct one of the hard brigade to niggle a volati[le] member of the opposition. It [is] fair to say that managers m[ust] be prepared to accept some [of] the blame for what occurs to-da[y,] especially in encouraging t[he] attitude of anything goes pr[o]viding it is not found out.

Too many referees suffer fro[m] the handicap of never hav[ing] played in the game at a reaso[n]ably high level. Therefore th[ey] are sometimes unable to appr[e]ciate the tensions that occur. [I] do not believe an ex-player w[ill] necessarily make a fine refere[e,] but some of them certain[ly] would.

What is required is a mo[re] adult attitude from the playe[rs] —some of them have nev[er] grown up—and a more unde[r]standing approach from some [of] the referees. It would also be [a help] if more captains of League clu[bs] actually captained their sides [on] the field and were not mere tossers of the coin.

TREVOR BAILEY

WORLD STOCK EXCHANGES

The Financial Times will publish, on Tuesday 14th September, a survey of World Stock Exchanges. This is to coincide with the meeting in Vienna of the International Federation of Stock Exchanges. The following indicates the proposed editorial content.

Looking to the Future: A brief account of the restrictions and difficulties in the way of international portfolio investment—the relatively small amount of such investment—how Japan, for example, looks upon foreign portfolio investment capital as "Hot money"—the way in which institutional investment (now accounting for half the trading on Wall Street) is coming increasingly to dominate stock exchanges—how these factors look against a background of conglomerates and multinational firms quoted on more than one market—expectations, if any, of moves to make international investment easier—the likely developments flowing from such moves.

The International Federation of Stock Exchanges: A brief account of its foundation, growth and development—its main functions—policies—how it sees its future role—a reference to the probable enlargement of the EEC and how the Federation sees that development affecting its role—table showing members and chief officers.

Company Reporting and Accounting Procedures: The lack of standards as an obstacle towards the rapid development of international investment—illustrations of the differing national requirements—the Federation's views of what a company report, ideally, should cover—progress made by the Federation, with others, in improving the general standard of reporting—future plans and hopes.

Dealing with Mutual Funds: The position arising from the fact that a mutual fund suspended from dealings on one market can still be dealt in on others—offshore funds in the same boat—the continuing debate within the Federation on what can be done—what has been done—the likelihood of future developments within the Federation—the Federation's views on the general subject of international quotations and their control.

Computers and Stock Exchanges: The introduction of computers on the New York, London and other Stock Exchanges—their function and purpose—the impact on conventional operations of such computers—the likely future developments arising from the introduction of computers on stock exchanges—will stock exchange trading floors become obsolete as a result, at some time in the future?

Scrutiny on Wall Street: The current debate for the need for change—the two main issues, institutional membership and negotiated commissions—the appointment of William Martin to conduct a survey, results due this summer—speculation that Martin will recommend the creation of a central market taking in American and New York Stock Exchanges—the computerised NASDAQ system and how it has revolutionised the over-the-counter market—is this the shape of things to come?

The London Stock Exchange and EEC: Limited immediate impact from British admission to EEC—provisions of the Rome Treaty as far as it affects stock exchanges—discussions of current thinking and development on European markets already inside the EEC—speculation on probable developments after British entry—will London become the European Stock Exchange?—will British conventions have to be abandoned in favour of European practices?

Continental Bourses: A review of the main Continental stock exchanges Paris, Frankfurt, Milan but excluding Vienna, the host capital, which will be the subject of a separate article.

APPOINTMENTS

Investment Accountant

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Financial Times. 10. Cannon Street, EC4P 4BY.

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Applications, which will be treated in the strictest confidence, should include full details of training, career and salaries earned and be addressed to:

J. D. C. Stanley, Personnel Controller,
Ladbroke Group Limited,
Ganton House, Ganton Street,
London W1A 2LD.

MANCHESTER STOCKBROKERS

have a vacancy for an Internal Analysis Clerk. The position would suit a man with good audit experience, but not necessarily with accountancy qualifications, who would keep a daily control of the ledgers. Salary by negotiation. Write Box A.2152. Financial Times, 10. Cannon Street, EC4P 4BY.

BANKING APPOINTMENTS, the specialist Consultancy for posts at all levels. (Abs. confidential) 836 7222 (10 lines).

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This newly created position will offer a candidate of exceptional ability attractive promotional prospects. His responsibilities will include the supervision of a young team engaged in Export Documentation, Credit evaluation and Control, and Balance Sheet Analysis, and in addition to the above he must be able to display a commanding knowledge of ECGD procedures. There will be some opportunity to travel and for this purpose an ability in languages would be an asset though not essential.

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FORD MOTOR CREDIT COMPANY LIMITED,
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The location will be in the West End of London, but travel throughout the U.K. will be involved. The post offers considerable scope for advancement (possibly also in other fields than legal practice). A high salary will be paid and a car provided and there are also the usual fringe benefits.

Please apply in the strictest confidence quoting reference number 1269 to Clive & Stokes, 14, Bolton Street, London, W1Y 8JL.

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Senior Foreign Exchange Dealer

The Bank of California N.A. San Francisco requires a senior foreign exchange dealer experienced in all aspects of currency dealings, interest arbitrage and Euro currencies.

A competitive salary and fringe benefits normally associated with positions of this nature will be provided. Please reply in the first instance, quoting reference MCS/1536, stating experience, salary progression and age to Price Waterhouse Associates, 31/41 Worship Street, London EC2A 2HD who will forward all applications to their client.

APPOINTMENTS WANTED

IMEDE Management Development Institute Graduate. 33. Chartered Accountant; seeks executive post in the provinces or on the Continent (preferably Belgium, France or Switzerland). Strong managerial accounting background. 7 years experience in France and Switzerland.—Write Box A.2154. Financial Times. 10, Cannon Street, EC4P 4BY.

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COMPANY NOTICES

BARCLAYS BANK D.C.O.

NOTICE IS HEREBY GIVEN that an EXTRAORDINARY GENERAL MEETING of the above-named Company will be held at 54 Lombard Street, London, E.C.3 (entrance 17 Gracechurch Street) on Monday the 20th September 1971, at 12 noon, for the purpose of considering and, if thought fit, passing the following Resolutions which will be proposed as SPECIAL RESOLUTIONS—

SPECIAL RESOLUTIONS

1. That the capital of the Company be reduced from £50 000 000 to £40 000 000 by the cancellation of the 10.000 000 Ordinary Shares of £1 each which have not been taken or agreed to be taken by any person.
2. That assent be and the same is hereby given to the registration of the Company as a company limited by shares under the Companies Act, 1948.
3. That subject to Resolution number 2 above being passed the name of the Company be changed to "BARCLAYS BANK INTERNATIONAL LIMITED."

Dated this 19th day of August, 1971.
By Order of the Board
W. J. McWILLIAM, Secretary.
Registered Office,
54 Lombard Street,
London EC3P 3AH

Note. A member entitled to attend and vote at the above Meeting is entitled to appoint a proxy to attend and, on a poll, vote instead of him. A proxy need not be a member.

BARCLAYS BANK D.C.O.

NOTICE IS HEREBY GIVEN that an EXTRAORDINARY GENERAL MEETING of the above-named Company will be held at 54 Lombard Street, London E.C.3 (entrance 17 Gracechurch Street), on Tuesday the 5th October 1971 at 12 noon for the purpose of considering and, if thought fit, passing the following Resolutions which will be proposed as SPECIAL RESOLUTIONS—

SPECIAL RESOLUTIONS

1. That the Articles of Association of the Company be altered by deleting Article 39 and substituting therefor the following new Article—
"39 The Company may by special resolution reduce its share capital any capital redemption reserve fund or any share premium account in any manner and with, and subject to, any incident authorised, and consent required by law."
2. That—
(a) for the purpose of giving effect to the Scheme of Arrangement dated the 19th August 1971 (a print whereof has been produced to the Meeting and identified by the signature thereon of the Chairman) the capital of the Company be reduced from £40 000.000 comprising £40 000.000 Ordinary Stock to £22.589 391 comprising £22 589.391 Ordinary Stock by cancelling and extinguishing all the Ordinary Stock other than the £22.589 391 Ordinary Stock beneficially owned by Barclays Bank Limited;
(b) forthwith upon such reduction of capital taking effect:—
(i) the capital of the Company be increased to its former amount of £40 000.000 by the creation of 17.410.609 [illegible]

[illegible]

(c) the Articles of Association of the Company be altered— [illegible]

Dated this 19th day of August 1971.
By Order of the Board
W. J. McWILLIAM, Secretary.
Registered Office,
54 Lombard Street,
London, EC3P 3AH.

Note. A member entitled to attend and vote at the above Meeting is entitled to appoint a proxy to attend and, on a poll, vote instead of him. A proxy need not be a member.

NORTHAMPTON CORPORATION BILLS

£0.25m Bills issued 18th August due 20th January at [illegible] making £[illegible] outstanding.

BRAZILIAN STERLING LOANS: DECREE LAW NO. 6019

N M ROTHSCHILD & SONS LIMITED announce that the overprinted coupons due September 1971 from bonds of the loans specified below may now be lodged with the relative Paying Agents listed on the special forms which can be obtained from them on application

Loan	Paying Agent
State of Minas Geraes 6½% 30-year External Sterling Loan of 1928 Plan A	J. Henry Schroder Wagg & Co. Limited
State of Parana 7% Consolidated Bonds Plan A	Lazard Brothers & Co. Limited

Coupons will be received on any business day and must be left for an appropriate period for examination.
Coupons must be handed in personally and cannot be accepted through the post.
New Court,
St. Swithin's Lane,
London EC4P 4DU.
20th August, 1971.

CHILEAN EXTERNAL LONG TERM DEBT: LAW NO. 8962

N. M. ROTHSCHILD & SONS LIMITED announce that the coupons dated 1st September 1971 from bonds of the loans specified below which have been overprinted to indicate acceptance of the 1948 plan may now be lodged with them listed on the special forms which can be obtained on application.—

Chilean Government 6% Sterling Loan of 1928
Chilean Government 6% Sterling Loan of 1929
Chilean Government 6% Bonds dated 22nd February, 1928

J. HENRY SCHRODER WAGG & CO LIMITED announce that bonds of the above loan may be presented at their Coupon Department at 120 Cheapside, London E.C.2, for payment of the interest due 22nd August, 1971, and for marking accordingly.

Presentations must be listed on the special forms which may be obtained on application; they will be received on any business day and must be left for an appropriate period for examination.
Presentations must be handed in personally and cannot be accepted through the post.
New Court,
St. Swithin's Lane,
London EC4P 4DU.
20th August, 1971

RICKMANSWORTH AND UXBRIDGE VALLEY WATER COMPANY

NOTICE IS HEREBY GIVEN that the TRANSFER BOOKS of this Company will be CLOSED from the 17th September to 30th September, 1971 (both days inclusive) to allow for the preparation of Warrants for dividend and interest due to the 30th September, 1971 on the Ten per cent. Redeemable Preference Stock 1977; Seven per cent. Redeemable Preference Stock 1987 88; Six-and-a-half per cent. Redeemable Preference Stock 1980 81; Five-and-three-quarter per cent. Redeemable Preference Stock 1982 83; Four per cent. Consolidated Preference Stock; Four per cent. Consolidated Debenture Stock; Five-and-a-half per cent. Redeemable Debenture Stock 1980 82; Six-and-a [illegible]

By Order of the Board,
T. N. DIXON, Secretary.
Batchworth,
Rickmansworth,
Herts.
19th August, 1971.

RHODESIAN CABLES LIMITED
(Registered in Rhodesia)

NOTICE TO ALL SHAREHOLDERS DECLARATION OF DIVIDEND NO. 15 AND CLOSURE OF SHARE TRANSFER REGISTERS

NOTICE IS HEREBY GIVEN that Dividend No. 15 on the Ordinary Shares [illegible]

By Order of the Board
J. JOYCE,
Secretary.
Lytton Road,
Salisbury.

BUSINESS OPPORTUNITIES

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£35,000 sought by company designing and marketing products in the leisure transport field for world wide distribution. Equity and directorship offered. Principals only please.—Write Box B.5715, Financial Times, 10, Cannon Street. EC4P 4BY.

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urgently required by Company who wish to enter into a long term agreement with a reputable manufacturer who would be able to accept a further precision product. The company must have jig mill or jig boring capacity 5ft. x 3ft., external/internal grinding, gear cutting and broaching. Immediate orders. Principals only.—Write Box B.5702. Financial Times, 10. Cannon Street. EC4P 4BY.

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Any people who have an interest in the above company, please write to Box B.5735. Financial Times. 10. Cannon Street. EC4P 4BY.

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GOLDEN KITCHEN—Golden Opportunity latest Trends—Take Away Foods. Total investment £7,500. Capital required £2,500. Brochure and details Golden Kitchen Sales Office, 27 Queen Square, Bristol. Tel. 0272 20224.
HOUSE MAGAZINE and journal printing specialists (18" x 12" and 12" x 9" lowest rates). Fast service. Contact Western Web Offset, 88, Hotwell Road Bristol. Telephone Bristol 28573
£130,000 will buy half share of hotel project near Athens — Write Box B.5726. Financial Times. 10. Cannon Street. EC4P 4BY.

LEGAL NOTICES

IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION
No. 001254 of 1971
MR. REGISTRAR BERKELEY
IN THE MATTER of
BARCLAYS BANK D.C.O.
and
IN THE MATTER of
THE COMPANIES ACT 1948

NOTICE IS HEREBY GIVEN that by an Order dated the 21st July 1971 made in the above matters the Court has directed a Meeting to be convened of the holders of the Ordinary Stock (other than the £22.589.391 Ordinary Stock beneficially owned by Barclays Bank Limited) of the abovenamed Company (hereinafter called "the Company") for the purpose of considering and, if thought fit approving (with or without modification) a Scheme of Arrangement proposed to be made between the Company and the holders of its said Ordinary Stock (other than as aforesaid) and that such Meeting will be held at 54 Lombard Street London EC3 (entrance 17 Gracechurch Street), on Tuesday the 5th October, 1971, at 12.05 o'clock in the afternoon (or so soon thereafter as the Extraordinary General Meeting of the Company convened for the same day shall have been concluded or adjourned) at which place and time all such Stockholders are requested to attend.

Any person entitled to attend the said Meeting can obtain copies of the said Scheme of Arrangement forms of proxy and copies of the Statement required to be furnished pursuant to Section 207 of the above-mentioned Act at the head office of the Company situate at 54 Lombard Street London EC3P 3AH and at the offices of the under-mentioned Solicitors at the address mentioned below during usual business hours on any day (other than a Saturday, Sunday or Bank Holiday) prior to the day appointed for the said Meeting.

The said Stockholders may vote in person at the said Meeting, or they may appoint another person, whether a Member of the Company or not, as their proxy to attend and vote in their stead.

It is requested that forms appointing proxies be lodged with the Secretary at the registered office of the Company situate at 54 Lombard Street London EC3P 3AH not less than 48 hours before the time appointed for the said Meeting but if forms are not so lodged they may be handed to the Chairman at the Meeting.

In the case of joint holders the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority will be determined by the order in which the names stand in the Register of Members of the Company.

By the said Order the Court has appointed Frederic Seebohm or failing him, Richard George Dyson or failing him, Donald Carter, to act as Chairman of the said Meeting and has directed the Chairman to report the result thereof to the Court.

The said Scheme of Arrangement will be subject to the subsequent approval of the Court.

DATED the 19th day of August, 1971.
DURRANT COOPER & HAMBLING,
73 Cheapside
London EC2V 6ER.
Solicitors for the Company.

PUBLIC NOTICES

CITY OF BIRMINGHAM

6¼% Stock 1972 73
2½% Stock 1966 71

NOTICE IS HEREBY GIVEN that the STOCK REGISTERS will be CLOSED from 1st September to 30th September, both dates inclusive, for the preparation of interest due 1st October, 1971. In the case of the 2½% 1966 71 this will be the final payment of interest

F. STEPHENSON,
Treasurer of the City.
Council House,
Birmingham, B5 3AB.
L GW BK.
16th August, 1971.

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COMPANY NOTICES

SUN INDUSTRIES LIMITED

NOTICE IS HEREBY GIVEN that the Annual General Meeting will be held on Monday, 13th September 1971, at 12 noon at No. 21 Ironmonger Lane, London E.C.2., to transact the ordinary business of the Company.

A member of the Company entitled to attend and vote at the above Meeting is entitled to appoint a proxy to attend and, on a poll, vote instead of him. A proxy need not be a Member of the Company. Copies of the Directors' Report and Accounts for the year ended 31st December 1970, and instructions as to the procedure to be followed by the holders of Share Warrants to Bearer who wish to attend or vote at the above Meeting may be obtained on application to the Company.

By Order of the Board
R. G. HOWELL-JONES,
Secretary.
Registered Office:
21 Ironmonger Lane,
London EC2V 8EU
20th August, 1971.

WILKINSON'S TRANSPORT GROUP LTD.

NOTICE IS HEREBY GIVEN that the Transfer Books in respect of the Ordinary Shares will be CLOSED from the 23rd September, 1971 to 30th September, 1971, both inclusive.
PENNINE SECURITIES LIMITED,
Registrars.
134 Drake Street,
Rochdale, Lancs.

WITWATERSRAND GOLD MINING COMPANY LIMITED

DIVIDEND ANNOUNCEMENT

NOTICE IS HEREBY GIVEN that Dividend No. 103 of 5 cents per share has been declared, payable to Shareholders registered in the books of the Company at the close of business on the 3rd September 1971. The Transfer Register and Register of Members will be CLOSED from the 4th September, 1971 to 11th September, 1971 both dates inclusive. Dividend cheques will be posted to Shareholders on or about the 1st October, 1971. The Dividend is declared in the currency of the Republic of South Africa and Non-Resident Shareholders' Tax of 15 per cent will be deducted from the Dividends payable to those members whose addresses are outside the Republic of South Africa. Payment will be made in United Kingdom currency at conversion rate of R1 equals 58.333p unless there is a material change in such conversion rate before payment.

SHARE WARRANTS TO BEARER

The coupon to be presented for the above dividend is No. 101 which must be left at the Office of Hill Samuel & Co. Limited, 100 Wood Street, London EC2P 2AJ at least seven clear days for examination. Special listing forms can be obtained on request.

By Order of the Board,
GLEN ANIL INVESTMENTS (PTY) LIMITED, Secretaries.
Per V. N. ROUTLEDGE, Secretary
Registered Office:
807 Medical Centre,
Jeppe Street,
Johannesburg.
London Transfer Office,
Hill Samuel & Co. Limited,
6 Greencoat Place
London SW1P 1PL.
12th August, 1971.

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A maximum cash consideration of £500,000 is envisaged.
Please reply in confidence with relevant details to Box B.5719, Financial Times, 10, Cannon Street, EC4P 4BY.

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Write Box B.5707.
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and/or fuel distributing business sought. Home Counties, West, South West, South East. Principals only.—Write Box B.572[illegible] Financial Times, 10, Cannon Street, EC4P 4BY.

CONTROLLING INTEREST in PUBLIC COMPANY REQUIRED

active or shell. Any type business considered. Also property and companies required, any size. Principals send full details in confidence. Managing Director, Bramhill [illegible] 147 Sunbridge Road, Bradford. [illegible]

ESTABLISHED ENGINEERS TOOL merchants business wanted, preference cutting tools, quick decision.—Write Box A.2150, Financial Times, 10, Cannon Street, EC4P 4BY.
H.P. COMPANY required with balance up to £350,000 for cash.—Write Box B.5525, Financial Times, 10, Cannon Street, EC4P 4BY.

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هكذا من الأصل

MOTIVATION

How to make shares a real incentive

BY GEORGE COPEMAN

WHENEVER I hear someone say that share incentive schemes are just a way of reducing the tax burden on top executives, I know he is very new to the subject. Managers who have actually been in a share scheme, know that the rewards and risks of share ownership have a different kind of feel from employment income.

A revolution is going on in British industry. Every week companies are announcing schemes to enable their senior managers to become share owners. What is it all about?

Basic to this change is the Greenewalt concept. Crawford Greenewalt, former President of Du Pont, developed the concept of "the owner's eye." A senior manager, he said, looks upon the company that employs him with "the owner's eye," taking extra care over his efforts on the company's behalf, if he is in a share scheme which is expected to build him a significant portfolio of common stock by the time he retires on pension.

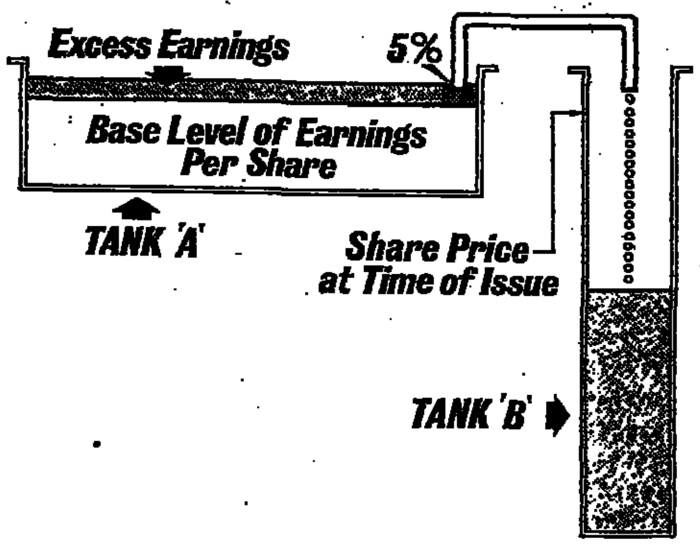
Glimpse of the obvious

This sounds like a glimpse of the obvious. But the real pay-off comes in Greenewalt's use of the word "significant." It has to be judged, he explained, in relation to the manager's own position, not by the yardstick of an outside investor. For example, a portfolio worth five times a manager's final salary could be very significant to him if he had no other capital, though it might represent only .01 per cent. of the company's ordinary share capital.

From this concept came the realisation that companies could provide senior managers with a share incentive scheme without exceeding in total 5 per cent. of the ordinary share capital, which was the limit acceptable to investment institutions.

If anybody asked me which is the "ideal" type of share incentive scheme, for sheer clever design in meeting all the objectives and providing all the safeguards, I would have to pay tribute to the Cunard scheme designed by Warburgs. I propose to describe it here, and then point out its limitations to show why I would not recommend it to every client.

The Cunard scheme should be considered in the light of six objectives of share incentive schemes. These are:



1—Minimise the payments made by participants, since most of them have no capital and a man of ability should be able to reach top management and participate in a scheme without previously having acquired capital.

2—Reward participants only from future growth of the business, since it would be unfair to transfer to them any of the equity of other shareholders that existed at the time they joined a scheme.

3—Maximise the gains to participants from growth of the business—that is, for full incentive effect, maximise in relation to what they pay in.

4—Minimise the risk of loss to participants. This follows from 3. If the prospect of gain is high, the risk of loss must not be equally high since participants are deemed to have slender resources of their own. But as shareholders they should, of course, bear some risk of loss.

5—Have a continuing prospect of modest gains rather than a once-for-all prospect of very large gains, since the company wants continuity of effort and steadily rising profits rather than violent swings of fortune.

6—Ensure that the tax on any capital gains made by participants is, as with other shareholders, payable at the capital gains tax rate, and is not a progressive income tax on employment income.

The Cunard scheme is illustrated in the symbolic diagram. The broad and shallow tank A contains the earnings per share. The tank is broad because it contains the earnings on all 13m. ordinary shares. Marked on the tank is an agreed base level of earnings per share, in this case the highest level recently achieved before the scheme started.

If the level of profits earned per share should rise, there will be excess earnings, as shown in the diagram. A mere 5 per cent. of these excess earnings is syphoned off into tank B. This portion is set aside for the managers who participate in the share incentive scheme. They have bought special incentive shares at £1 each, and the maximum number of these available is 1,500, so tank B is shown narrow.

If you syphon off 5 per cent. of the excess earnings from the broad tank A into the narrow tank B, the level in tank B will rise much quicker than in tank A. Thus, the notional value of an incentive share will rise faster than that of an ordinary share. There is a magnifying effect.

When tank B fills up to the level of the ordinary share price at the time the scheme was started, a scrip issue is made of one ordinary share for each incentive share held. It is these scrip issues of ordinary shares which constitute the incentive for management. The original incentive shares are initially worth no more than their £1 nominal value.

Loan scheme

For example, earnings in Cunard at the time their scheme started were approximately 13p per £1 share which then had a market price of 143p. So tank B must fill up to the 143p level before a scrip issue is made. From then on, every time the tank fills up to this level, there will be a scrip issue.

Even though only 5 per cent. *of the company's excess earnings* per share have been syphoned off into a special "capital reserve" to make scrip issues to the managers in the scheme, because of the magnifying effect, they stand to make considerable capital gains on relatively slender investments, provided they do push profits up above the base level and keep them up. The averaging of earnings over three years is normally required to measure excess earnings.

Incentive shares are not entitled to dividends or votes, nor are they transferable in the normal way. Their entitlement to special scrip issues is virtually their only right, except that after 10 years they automatically convert into ordinary shares.

The Cunard share incentive scheme fulfils all six objectives given above. Payments in by participants are relatively small, rewards are from future growth only, there is a magnification of gains from growth, but risk of loss is small. There is a continuing prospect of gains, and tax on gains is at the CGT tax rate.

However, in the above paragraph I deliberately said that there is a "magnification" of gains, not a maximisation. Some companies would do better with a different type of scheme. It depends on the amount of capital used per employee, and on other factors.

Whessoe recently introduced a loan scheme advised by BIS. On the calculations made, in their particular circumstances, participants would do better from a loan scheme than from a Cunard type scheme. It would be invidious to publish these calculations for a named company, but I can quote two other recent cases anonymously. In company A, the expected capital gain per participant was calculated as £10,400 for a Cunard scheme and £12,500 for a loan scheme. In company B, the expected gain per participant was calculated as £38,000 for a Cunard scheme and £28,000 for a loan scheme.

Thus it is a matter of horses for courses. In financial terms, there is no ideal scheme. One type of scheme will pay better for company A, another for company B. The importance, however, of thinking in terms of an "ideal" scheme is that it sets good standards which are quickly applied to all types of scheme. Clauses are now taken into loan schemes and partly-paid schemes which give them the safeguards and many of the attributes of Cunard schemes.

This is an endlessly evolving, fertile field where Britain is way ahead of the rest of the world, and we can expect productivity pay-offs from these share incentive schemes during this decade.

* *Dr. Copeman is Chairman of Business Intelligence Services Ltd. and a founder of the Wider Share Ownership Council.*

Cheap beds scheme for businessmen

BY OUR OWN CORRESPONDENT

THE CUT-PRICE movement that has been making news in relation to air travel and package holidays is now gathering pace in its application to hotel accommodation for British businessmen.

Three organisations in this country are currently selling businessmen cards that entitle them to cheap or free stays at some 400 hotels around the U.K.

First into the field was Freestay Holidays, who began last year by making free-stay vouchers available to the general public as premium offers linked with the sale of such goods as motor cars and sewing machines. They claim to have "created" 140,000 new holidays last year for people who could not otherwise have afforded them, and in so doing to have given the hotel industry a useful shot in the arm.

Stay for nothing

Last January, Freestay, whose chairman is Leonard Pearl, last year's Lord Mayor of Westminster, began "selling" free accommodation more directly to the public through a promotion with Pan American Airways. Cards worth £5-25 each enabled American visitors to stay for nothing at certain British hotels for up to three months. The scheme was later extended to British business executives, though this side of it has tended to mark time since a Freestay salesman left the company and formed his own organisation, which goes under the name of Executive Club.

Freestay, claiming some 220 hotels on its inventory, and Executive Club, boasting more than 120, use much the same system, though not, of course, agreeing on who applies it the better. Their profit comes from the sale of membership cards, the hoteliers from the rule that to qualify for free beds all cardholders must dine on the premises and will be charged for set meals whether they eat them or not. A hotel also expects to relieve its non-paying guests of some spending money in the bar. Part of the scheme's psychology is that people will eat and drink more when they are not laying out for a room.

Now the businessman's choice of cheap hotel accommodation has been further widened by the advent of Masterkey, a firm founded by Peter Banham, 30, whose six years in international travel persuaded him that more could be done to fill British hotel rooms in the off-season.

Masterkey charges £10 for its card, which entitles the holder not to a free stay but to a constant 50-per-cent. discount, and its period of operation is from November to April. But Banham claims the scheme is unique in comprising only three- and four-star hotels; in giving cardholders the reduction seven days a week rather than, as in some other cases, only at special times; and in not making them eat on the premises—though it is assumed that they will, anyway, since they are in the best hotels.

So far Masterkey has only 50 hotels signed up, but Banham plans to push the figure up to 100. His objective is to make the card worthwhile for any businessman who spends more than £30 a year on hotel rooms. He quotes a report by the NEDC for the hotel industry saying that in Britain there are some 114,000 directors, professional men and top managers who each spend an average of 81 nights away from home during the year on 27 trips each of three nights' duration, with an average stay of 1.7 nights at any one hotel.

Large savings

On this basis, he claims, the average travelling businessman can save an average of £60-£100 and as much as £200 during the scheme's November-April period.

For Banham, however, the sky is definitely not the limit. He thinks the cut-price movement in hotel accommodation could destroy itself if it were too successful, and is for the time being planning a limit of 3,000 cardholders, most of them preferably in long-term arrangements with companies.

Banham admits that the idea for the scheme came to him through seeing how appalling was British accommodation for students and other young visitors. They are about the only ones it cannot help.

Low down on labour

FINANCIAL TIMES REPORTER

AFTER THE last two years of intensive debate one would have thought there was little left to be written about British industrial relations. But there is something to be said for bringing the subject together in pamphlet form, as Management Counsellors International has just done.

The publication, Survey of Industrial Relations in Britain 1970, costs £2.00. It runs to 68 pages and is the first of a series on international industrial relations. The subject is dealt with from several different angles—the Government, employers, trade unions, collective bargaining, disputes, workers' participation, and the international scene.

Management Counsellors International can be contacted at avenue Louise, 209a, 1050 Brussels, Belgium.

Management ideas from abroad

These summaries of articles in the overseas management Press are condensed from Anbar Management Services Abstracts. Readers wishing to consult original texts should either write to the individual magazines, or communicate with Anbar at P.O. Box 23, Wembley, HA9 8DJ; telex 935779.

IS THE MULTI-NATIONAL FIRM IN DANGER?

R. W. Wright in **Business Horizons** (U.S.A.), Apr. 71; Graduate School of Business, Indiana University, Bloomington Indiana, 47401.

Examines the forces of nationalism that spell danger to the multi-national firm, defines preconditions that host countries are likely to apply to new foreign business activity, and describes alternative ways in which multinational firms can meet them. Argues that the 'management contract' form of business—in which the foreign firm provides management skills and technical knowledge, without equity participation and operational control—offers the best form of relationship with the host country, and sets out its advantages.

GET READY TO RECYCLE

W. A. Kleinschrod in **Administrative Management** (U.S.A.), May 71; 51, Madison Avenue, New York NY 10010.

Some examples of how papermakers and paper-users in the U.S. are pursuing the better environment, the first group by offering paper made from recycled waste (one brand being named Ecology) and the second by committing themselves to use re-cycled paper wherever possible (ultra-sensitive Coca-Cola printing its annual report on it). Examples are also quoted of how some companies sort and segregate the paper in the waste baskets. *The overall impression is that it may make companies feel better but it doesn't save them any money.*"

A PLAN TO AVOID NEW PRODUCT FAILURES

Rydge's (Australia), March 1971, 74 Clarence Street, Sydney, Australia.

Outlines the advantages of testing the concept of a new product rather than the product itself, and presents a case history of how a U.S. company used concept testing to determine whether industrial plants needed a gas-fired door heater, and whether other markets were also prospects. Discusses the use of mail surveys, field interviews, and films illustrating a prototype or mock-up of a proposed new prouct.

OVERCOMING UNION OPPOSITION TO JOB ENRICHMENT

M. S. Myers in **Harvard Business Review** (U.S.A.), May/June 1971, 108 10th Street, Des Moines, Iowa 50305.

Outlines the background of the linked growth of trade unionism and the decline of paternalistic management in U.S.A., and gives reasons for the failure of anti-union strategies. Points to attitudes and conditions which can result in management-union co-operation, and discusses case approaches that show how the energy used in labour-management conflict can be channelled towards the attainment of organisational goals: a confrontation approach, based on sensitivity training; a joint training approach for managers and trade union leaders; a joint management-staff work improvement approach in a non-union situation; negotiated management-union collaboration over a wide field of human relations and organisational effectiveness. Draws general conclusions."

FORMULATING STRATEGY IN SMALLER COMPANIES

F. F. Gilmore in **Harvard Business Review** (U.S.A.), May/June 1971.

Discusses how corporate planning can be formulated in a smaller company that has no planning department, operational research group or computer capability; shows how the approach to formalised planning has evolved, and the contribution of management sciences to the planning process; presents a simple, step-by-step approach to the strategy formulation—record the current strategy, identify its problems and the basic reasons for them, formulate alternative strategies and evaluate them, and choose the new strategy. Ideally, this procedure should be carried out by a small committee composed of the top managers of the company.

LE GOODWILL (FRENCH STYLE)

Revue Francaise de Comptabilite (France), English version available. 109 Bd Malesherbes, Paris 8, France). Feb. 7

These are French recommendations for the treatment of goodwill in company accounts: main difference from U.K. practice is that the goodwill figure can include an element of revaluation after acquisition. Where goodwill can be allocated to categories of assets this should be done and information provided by way of note to this balance sheet; goodwill write-off should be calculated separately for each category.

AN ORDER ENTRY SYSTEM FOR A STEEL PLANT

L. A. Webster in **The Australian Computer Journal** (Australia), (PO Box 180, Kingston ACT 2604 Australia). Feb. 71.

Describes how John Lysaght (Australia) implemented an order entry system. Begins by outlining the pre-computer system and then looks at the objectives of the new system: there is a description of the setting up of the project team and details of the design of the master files, including the item coding used. Two data input systems are described: the first one used tub files, was a failure, and had to be replaced. Details of the systems output are given, followed by the implementation schedule that was followed.

WAREHOUSING—PRESENT AND FUTURE

R. L. Bickerton and others in **Transportation and Distributive Management** (USA) (815 Washington Building, Washington DC 20005), Feb. 71

Four articles. The first surveys systems of material handling and inventory control, some using computer techniques, some not. The second discusses problems of using automation in public warehouses, where materials are varied and constantly changing. The third examines the use of linear programming techniques to obtain maximum utilisation of storage space and minimum handling of stock. The final article presents two approaches, one by a former FBI agent, the other by a distributor, to the prevention of sabotage and the reduction of theft.

THE WORLD OF MINI-COMPUTERS

I. D. Wadham in **The Australian Computer Journal** (Australia), Feb. 71.

Looks at the abilities of mini-computers and *effectively* demonstrates that they are not lacking in performance. Indicates factors to be considered in choosing a mini and gives details of those available in Australia (and the U.K.). Looks at office computers and describes several of these. Finishes by examining the future use of minis and problems likely to be encountered. Concludes that software is the biggest problem and suggests that mini software should be developed on maxi machines.

INSURANCE COMPANY'S NEW BUILDING

Bürotechnik + Organisation (Fed. Rep. of Germany), March 71 and **Das rationelle Büro** (do.), April 71. English version available. 7570 Baden-Baden, Haupstr. 4, Fed. Rep. of Germany.

These two articles give details of Hamburg's newest office building: the Allianz Insurance Company. 11,500 square metres of office space in the new building, together with another 5,500 in adjoining buildings, accommodate 1,650 staff. A reading of the report shows that the company aimed not only at providing 'all mod cons' but that there are many truly novel features: for example a central vacuum cleaner into which attachments can be plugged *anywhere in the building*; wastepaper carts take the contents of 40 wpbs and, placed over a chute position, open and discharge without tipping; escalators from ground to 4th floor; postal conveyors which are centrally controlled to give priority to inward mail (morning) or outwards mail (afternoon).

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FRIDAY AUGUST 20 1971

Unemployment up again

THE GOVERNMENT may be able to squeeze a little comfort out of the trend suggested by the latest unemployment figures. In the first place, the number of adult students registered for vacation work was much the same in early August as it was in early July. This seems to confirm the idea that a much larger number of students than usual are registering at employment exchanges this year instead of finding jobs for themselves. If this is so, about half of the sharp rise in unemployment shown in last month's figures can be regarded as exceptional.

In the second place, the rise shown in this month's figures—after account is taken of the usual seasonal factors—is much smaller than the average for previous months of the year. In the third place, the vacancy position shows signs of improvement. The total of unfilled vacancies is down, but probably only because school-leavers have mopped up some of those for young people. The number of unfilled vacancies for adults is slightly up, and that for adult men up still more.

Better trend

But if the trend looks rather better than it did a month ago, there is no reason at all for complacency about the absolute figures. The total number of people without work for one reason or another has now risen to over 900,000. The number of unemployed school-leavers, who have swollen the total this month with the end of term, is 55,000 compared with 36,000 at this time a year ago. The proportion of the registered labour force without work is up to 3.7 per cent.: but the percentage for men is 5.0, ranging from only 2.9 in the South East to 6.2 in Wales and the North West, 8.2 in Scotland, 9.2 in the Northern region, and 10.4 in Northern Ireland. In June, the latest month for which information is published, 66 per cent. of the men wholly unemployed and 58 per cent. of the women had been without work for two months or more.

At the same time, of course, there have been marked changes in the hours worked by those in employment. The amount of overtime worked so far this year as there are figures to cover is down by 22 per cent. on 1970 while the number of hours lost through short-time working has all but doubled. These changes in hours worked may well be responsible for the drop, reported on Wednesday, in the pace at which earnings (as opposed to wage rates) are rising.

Regional policy

From the point of view of the employment situation, it is clear that the Government's measures to stimulate demand and reflate the economy were announced not a moment too soon. The intention is to achieve a rate of growth faster than what in the past has been reckoned to be the rate of growth of productive capacity, and so not only to contain the increase in unemployment but to bring its level down to a more tolerable figure.

Two reservations, however, ought to be made. The first is that the recent shake-out of labour in response to pressure on profit margins may in part represent a permanent improvement in productivity: welcome as this would be in the sense that it would enable the economy to grow faster without running up against capacity bottlenecks, it would also make a return to full employment the more difficult. The second reservation is that the Chancellor's measures are not, in any case, likely to bring about a marked drop in the level of unemployment for some months to come. However, little can be done about this immediately, a fresh and comprehensive look at regional policy might help to prevent the same trouble recurring in the future.

BOAC stays in the black

AT A TIME when other major airlines have been reporting heavy losses, BOAC did rather well in managing to show a small profit for the year to last March, especially when one allows for the fact that, in addition to the problems that are plaguing the rest of the industry, the Corporation had to contend with an unusual crop of exceptional items last year. The hi-jacking and destruction in Jordan of one of its aircraft last September cost BOAC an estimated £3m. The postal strike forfeited the Corporation some £2m. in mail revenue. And other industrial disputes, including the disagreement with BALPA over the operation of the new Boeing 747 jumbo jets, cost upwards of a further £1m.

However, the principal reason why BOAC's net profits, after tax, tumbled from £19.3m. in 1969-70 to £3.4m. last year—and why other carriers have gone into the red—was slow traffic growth, combined with the sudden, sharp increase in capacity caused by the arrival of the jumbo jets.

The slow growth in traffic reflected depressed business conditions on both sides of the Atlantic. It would have led to much tougher competition for the available business even without the arrival of the 747s. With over 150 of these large aircraft now delivered not only has capacity been greatly increased but so too have costs.

Efficiency

Few expect this lack of balance between traffic and capacity to be overcome quickly. Nor does Mr. Keith Granville, BOAC's chairman, expect the Corporation to do any better in the present year. Indeed, with revenue already running some £3m. below forecast after the first 16 weeks and the adverse—but as yet unquantifiable—effects of the latest U.S. economic measures, Mr. Granville states that BOAC will be hard put to do more than break even in 1971-72

He is no doubt thankful that, unlike almost every other State corporation, BOAC is blessed with an equity-type capital structure on which dividends are paid in line with profitability. For 1970-71 the payment is to be 7½ per cent., as against 20 per cent. in 1969-70. Even so, this freedom from the burden of a wholly fixed-interest capital debt structure has not blunted BOAC's efficiency. Indeed, Mr. Granville was able to announce yesterday that the Corporation has managed to secure £10m. worth of economies so far this year in an effort to head off a return to loss-making after an eight-year run of profitability.

Cheap fares

Nor is BOAC apparently prepared to let the IATA disagreement over the future North Atlantic fares structure deter it from pursuing what it deems to be an appropriate marketing philosophy. So long as IATA remains the official international air fare-fixing authority, airlines have to try to make the system work. But the success of the charter companies in tapping the market for cheaper air travel and, as a result, in building up their share of North Atlantic traffic from as little as 3 per cent. in 1964 to an estimated 20 per cent. now, clearly calls for a determined response from the scheduled carriers.

One way or another lower fares are now inevitable on the North Atlantic next year despite the failure of the attempt at the recent IATA meeting at Montreal to agree on a reduction in the cheapest excursion fare from the present £113 return to a basic £83 (BOAC had originally proposed an experimental £63 fare this winter to test out market reactions).

But, while cheaper fares introduced—either by agreement or through competition—on terms specially tailored to compete with the charter market should help to boost scheduled traffic in future years, they will not by themselves lead to an early restoration of airline profitability. For that, the airlines will have to look to a revival in business conditions, especially in North America. With deliveries of the Concorde due to commence in 1974, the airlines—and Concorde's makers—are doubtless hoping that this recovery will not be long delayed.

Toys—how the fun went out of an £80m. market

Sheila Black discusses Lines Bros.' decision to go into voluntary liquidation

IT IS hard to believe that names like Meccano, Tri-ang, Dinky, Pedigree and the rest of the Lines string might disappear from the toy scene. Yet no fewer than five executives of leading British toy companies yesterday said that the idea of buying even names such as these from the receiver was not particularly attractive.

There is nothing wrong with the names. It is the industry that is in trouble, short of money and in a state from which it will take some years to recover. By the time things get back to the boom years of the late 1950s and early 1960s, more companies will have fallen prey to pressure from American competition, spiralling costs, diminishing numbers of retailers who are prepared to stock and to promote sales; and the falling birth rate.

200,000 fewer children

The latter, which has been on the decline since 1964, is having its effect already. By 1975, if the present trend continues, there will be something like 200,000 fewer children under 10 years old than there are now. That makes for a less than merry Christmas in four years' time.

Glamour stocks like Airfix, which has diversified with great success, Lesney (the famous Matchbox toys firm), and Mettoy (the Corgi group), took advantage of what turned out to be one of Britain's biggest growth industries in the early 1960s. The £54.8m. industry turnover of 1965 was rewarding and profitable for all but a few laggards, and it represented an encouraging sales increase of more than 50 per cent. over 1963, with the outlook buoyant.

In the event, sales did climb—to £73.3m. by 1969 and to nearly £80m. in 1970. However, something went wrong with profits and the air became thick with talk of takeovers, mergers and closures as management shake-ups, increased borrowing and costly advertising eroded margins.

One of the troubles with the toy trade—perhaps its major trouble—is the seasonal factor. Just over half the entire year's trade is done in the six weeks before Christmas. Manufacturers jog along on reduced cash flows, carrying large stocks of raw materials as well as of finished toys in order to be there when Santa Claus is in the offing at larger stores and toyshops.

The retailers, bogged down with the additional rush in toy departments, put the squeeze on margins or hold out for higher mark-ups in order to finance the extra staff. At Selfridges, for example, the toy department deploys between 70 and 80 demonstrators plus some 90 extra staff to cope with a turnover of some £½m. in those last few weeks before Christmas.

Happier days at Lines Bros.—Peter Thrower (left), managing director, with fellow directors Colin Craigie (centre) and Frank Knight.

The management reckons it cannot be done on a mark-up of 52½ per cent. Yet, faced with the fact that smaller, independent retailers work on 50 per cent., Selfridges cannot offer a toy that cost £1 ex-works for only £1.50 unless the manufacturer co-operates by cutting his own profit. The manufacturer needs Selfridges and the like, and the spiral begins.

To offset the mountainous peak of Christmas, toy firms moved vigorously into exports. Last year they sold £29m. overseas, and even managed to stem the flood from Japan, Hong Kong and America. Indeed, some have built factories in the East to take advantage of lower wage rates—an advantage they do not expect to have for much longer.

Mr. Bob Butler, managing director of America's Mattel, has always maintained that British toy production grew faster than its markets. Certainly closures of small and large factories during the past 18 months seem to bear him out. Lesney, one of the cutters-back, has seen its shares down to the equivalent of 7s from a peak 109s when its Matchbox cars had sold to the tune of £5.6m. (in 1969).

The growth had led to over-capacity when the company was hit by the Mattel invasion with its "Hot Wheels"—toy cars with minimum friction wheels which sped at high speed up and down complicated runways to whet the appetites of increasingly sophisticated children. The little Matchbox models, admired for the perfection of detail, seemed to become almost inanimate to youngsters who took space flight for granted.

Mettoy also took a knock from competition in the die-cast car market. Airfix, however, whose construction kits began to include Apollo in various numbers as well as World War II aircraft and other familiar objects, has nothing but good to report.

Five years' hard effort

Airfix notched up a growth of 24 per cent with home sales buoyant last year. Much of its joy came from exports, which won the company a Queen's Award and which now account for 37 per cent. of turnover. Indeed, exports helped to push up profits in the toy division by as much as 13 per cent. It makes almost novel hearing, with the toy trade in its present state, to learn that toys have outmatched the performance of some other Airfix divisions.

Such good results were hard won, after five years of intensive effort to open overseas markets without becoming too entrenched in the difficult and competitive North American field. Diversification into arts and crafts, educational toys and boxed games has more than paid off.

Lesney has been equally indefatigable in trying to build up foreign trade, especially in Canada and North America. The Canadian enterprise suffered from a local management breakdown, which failed to show up true results immediately and the outcome was a loss of £400,000. In America, the year's sales halved, leading to a £700,000 loss. It has been as bad for the toy trade in America as in Britain this past year. Rather than give in, Lesney will continue to fight on in North America and Canada with re-organised management and the bad times behind the company.

If margins are tight in the U.K., they are even tighter in the U.S. and manufacturers have a hard job holding prices down to a level competitive with the local products. All too often wholesalers can buy in Britain, ship over and still make a profit by selling below the usual market price even of American equivalents. Severe price wars follow.

It is traditional in the toy business that certain companies are famed, even among children with little brand consciousness, for certain products. Traditionally, demand for the familiar items goes on year after year. Indeed, there are even stories of companies whose diversified toys have had cold welcomes when launched because neither trade nor public could associate their names with the new toys. The result has been that too many companies fell into the trap of having too few different lines on which to fall back if one was adversely hit by the vagaries of fashion and childish fickleness.

This could not have been said of Lines Bros., one of whose faults was probably that it had too many lines (and no joke intended). Factories had mushroomed, here and abroad, to produce the varied range. It looked, when the management shake-out began this year, as though streamlining and rationalisation would put the company on to a firm, eventually profitable, basis. Belfast and French factories were closed down, and the many brand names shuffled around to British plants.

Consumer resistance

In all, the group cut out about one-third of production units: reduced the labour force from 8,500 to 2,000; closed 18 of the retail shops, leaving 27; and began pruning the top-heavy ranges in each field. The soft toys, for instance were reduced from 180 different items to fewer than 90, and the target was to cut that down again by half—"imagine 180 golliwogs and teddy bears and similar cuddlies," was the provocative thought.

Strict budgetary control was implemented—a difficult operation when the costs of raw materials amount to as much per toy as the retail price of only two years ago. These are difficult to pass on to the consumer, since there is strong consumer resistance to price increase of any size in the toy business on the basis that "this is somehow taking advantage of Christmas and children," as one retailer explained it.

The right moves were made at Lines, and the family business, founded by a man who had carved rocking horses in his childhood, became all that "business" graduates from the hard world of detergents, toiletries, advertising and the rest could make it.

It is one thing to get a company right. It is another to be able to weather the years before the new "rightness" begins to pay off. Gallaher's withdrawal from the proposal to invest £5m. and the decision of the banks to call in loans of £5m.-£6m., were understandable. A mere £5m. would only have tided the Lines group over in the immediate term. More capital to support the group during the slow return to health would have been essential and with the state of the industry to-day, it is not even possible to forecast accurately quite how much would have been required for quite how long.

There are hopes that some of the subsidiaries might yet be bought. Barclay Securities which bought the Chad Valley and Sebel-Mobo toy firms and has built up a revitalised group is one name being mooted in the current guessing game, for in spite of U.S. competition from big companies like General Mills (which owns the Denys Fisher toys, Waddingtons and Palitoy), there is still some scope in the British industry.

Smaller firms have done well. Those which have gone for well-made, higher-priced toys and games of the kind that appeals to mothers, aunts, uncles and grandparents, also have nothing about which to complain. Retailers are far from happy unless they, too, are specialising—advertising, especially on television, has not produced the sales that were hoped for.

Specialist toy retailers are invaluable components in the network of the business since they do manage to make sales outside the Christmas weeks. It has been exceptionally encouraging that the National Association of Toy Retailers has taken a 10 per cent. shareholding in the Toy Tokens company. This kind of action is rare, and the Association deserves credit for taking such active participation in a scheme which must benefit everyone in the long run. While it may seem obvious that this is a good idea, few trade associations show such enterprise. The stake, since it is subscribed to by members of the Association, must prove an incentive to all to promote the Tokens scheme enthusiastically.

A future bright spot

The EEC is looked upon as a future bright spot. In spite of tariff barriers of between 12 and 20 per cent., British toys have been in demand in Common Market countries—last year the EEC took £9m. worth out of a total manufacturers' turnover of £84.5m.

With the gradual erosion of tariff barriers, Europe should prove to be a happy playground, provided the cost of materials—which is expected to increase sharply upon our entry—can be passed on. The trouble is that children grow up so much faster than they did. By the time they are 10, their thoughts are on pop music and other teenage pursuits. The new toys show that manufacturers are only too well aware of this, and their updated approach to the market is something that should do much to prevent too many repetitions of the Lines story.

MEN AND MATTERS

Managing Barnardo's 6,000 children

A man who once broke his neck riding a rocket-sledge accelerating from 0 to 50 m.p.h. in 1¼ seconds, equivalent to 11.5g, has just embarked on his third career, as the new chief executive of Dr. Barnardo's. Some time ago, Barnardo's called in consultants to advise on its management structure. Previously, it was run in tandem by a Director of Child Care and a General Secretary, under the Council which governed it. Barnardo's is a largish business—turnover around £4m., several thousand staff, 6,000 children, and considerable assets in land and buildings.

So now Dr. Herbert Ellis has got a newly created job, heading the organisation. Ellis started as a doctor, joined the Navy in 1944 soon after qualifying, and got interested in the human factors involved in the high accident rate of planes landing on aircraft carriers (one in 88 landings). This led to the RAF Institute of Aviation Medicine, Farnborough, doing work on test flying and g-thresholds (hence the broken neck), and then to work on the giant human centrifuge, or "big egg whipper of 50 feet radius," as Ellis calls it, in Pennsylvania, where the Americans were doing experiments on orbital velocities for the X15 project.

When the end of the Fleet Air Arm loomed, Ellis left to do related work on traffic accidents ("the third killer, after carcinogenics and coronaries, with suicide fourth—all things to a degree under our control.") From there he became marketing director of the Appleyard group, distributors of motor cars—an odd change, one might think, but Ellis says "it is an easy jump from accidents to marketing." Later he went to another Midlands motor distributor, which then got taken over, and so he retired to form a company of his own and write—except that he heard of the Barnardo's job, and applied.

His job at Barnardo's is in part to keep up the flow of privately given money, to balance the local authority money coming in, in part to supervise the organisational changes going on inside Barnardo's. Now 50, Ellis goes for a 7-mile walk most days—"putting up the pulse rate by 20 per cent. for an hour a day, for non-emotional reasons, keeps off the coronary."

Firming it up

It's too late—the Russians have already moved into Malta. For the past two years the island's major builders and contractors have been using Russian cement on virtually every building, flat, and house under construction. The Russians exhibited their product at the Malta Trade Fair two years ago, and are supplying it to the locals at a subsidised price of 9s a bag—Malta is not yet decimal—which is about half the price of any rival brand. It is apparently good quality. Russo-Maltese friendship may therefore be considered well cemented.

Bank, please

If anyone understands what all this international monetary business is about, I am sure it must be the booking office clerks at London tube stations. After all, they presumably understand the London Transport Traffic Circular sent out this week which says:—

"Forged £5 notes. With reference to paragraph E9 of Traffic Circular No. 29 (1971), forged £5 notes have also been reported bearing the numbers 31C884423 and 09C884043. If forged notes are presented, action must be taken in accordance with clause (f) of Regulation B14 of Section 8 of Appendix to Rule Book, as amended by paragraph E6 of Traffic Circular No. 29 (1971)."

McLuhan on redundancy

Marshall McLuhan, pundit of the communications business, has turned his attention to the problem of managerial redundancy. His new book, his longest to date at about 600 pages, is due out later this year (publisher McGraw-Hill) and goes under one of those epigrammatic McLuhan titles *Take Today—The Executive as Drop-Out.* Why *Take Today?* Not, apparently, a reference to film "takes," but with at least an element, says McLuhan, of "carpe diem."

What it is all about, he says, is that with information speeds as they are now with electronics, decisions are no longer made "at the vertex of the organisation chart, but in the vortex of it." As a result, executives "drop out" of the organisation charts, and maybe drop out altogether.

Coming at it another way, McLuhan explains that "as the rim-spin of the earth gets faster, so older information methods, accounting, stock-keeping, are obsolete—the rim-spin being electronic." So McLuhan, who got interested in management problems when he found that management groups were most interested in hearing his talks on the use of media (like the telephone), collaborated with an electronics engineer on his new book, which in passing looks at managements methods across history and across frontiers (China is included).

McLuhan believes that with electronics, human beings have anyway become "discarnal"—that is, with their voices and appearance transmitted round the world in seconds, their physical existence is largely irrelevant. Also, "money is as dead as the Dodo," with cash cards and the like.

McLuhan's next project is a series of books on the theory of communication of the world's major authors—Homer, Dante, Shakespeare et al. Meanwhile, discarnal finance directors who chase their non-cash flows into the vortex of the organisation, only to be ejected by the rim-spin and become drop-outs, may be consoled by McLuhan's confession that "really, I am a satirist—I blow problems up until they explode."

Shooting jacket

Our Man in Belfast went to a local clothing store and asked for something rain-proof but inconspicuous, since his white mac made him something of a target for sharpshooters. A smart looking olive green combat jacket was produced, eminently suitable, but military in style. "Won't that make me even more of a target for the IRA?" asked Our Man nervously, having been recently in the vicinity of bullets. "Oh no, sir," was the answer. "The IRA are buying a lot of those."

Observer

Prestige and parities • Internment undebated

WHY DOES the dollar crisis generate so much heat? The bewildered layman *can be forgiven* for asking this question rather piteously as he struggles to keep his head above the torrent of abstract invective and *technical* jargon which has washed over him this past five days.

Everybody knows, in theory, that the question of currencies is momentously important but very few people, I find, can entirely explain the impulsion which has brought serious *political personalities* in every European country rushing back from distant beaches shouting at the tops of their voices.

One can see, of course, that there is some genuine conflict of economic interests between the U.S. on one side and the Japanese and Europeans on the other. Everyone involved wants a balance of payments surplus, and everyone involved wants a slightly undervalued currency, since experience has shown that these commodities make for political felicity at home and enhanced prestige abroad. It is a pity that such a happy state of affairs is impossible by definition, but in this wicked world one man's surplus is another man's deficit and if one man's currency is undervalued someone else's is overvalued.

Governments are naturally anxious to avoid coming out on the wrong side of this divide, since lots of sensitive issues are indirectly involved — employment, growth rates, industrial lobbies and special interests of all kinds. Financiers and economists whose bread and butter is involved in the details are also bound to be excited about it. But that still does not quite explain the tremendous gusts of political emotion which are being whipped up internationally by the present affair.

'The basic patterns of world power are not going to be altered by whatever is decided about exchange rates. . . . Nobody is likely to go broke. So what is all the fuss about?'

After all, the rationalist might say, the basic patterns of world power are not going to be altered by whatever is decided about exchange rates in the next weeks or months. The American economy will still remain the strongest in the world, and we shall continue to rely ultimately, on the American deterrent. The net result of the whole business will be an end to the American deficit (about which everyone has been complaining bitterly since 1964) plus a modest realignment of parities and a rather more flexible international monetary system (which has been almost universally recommended in theory for the past two years).

In short, that which is more or less fore-ordained will be welcome to almost everybody, whereas the area of argument which is not fore-ordained lies within such narrow limits that however it is settled nobody is likely to go broke. So what is all the fuss about?

To this question I would make two tentative replies, neither of them terribly encouraging, I fear. The first and most obvious is that exchange rates have become, to an absolutely grotesque degree, mixed up with international prestige. No move of parities can apparently be made either upwards or downwards without loss of face. So we have the absurd spectacle *of Mr. Sato going* through torments of humiliation at being accused of having a very strong economy and Mr. Nixon contorting himself in order *to pretend that devaluation* means everyone else changing step.

This economic *chauvinism* is not simply a matter of exchange rates, of course. We have had all that rubbish about international league tables from British politicians for four or five years and now, sure *enough, there is Mr. Nixon going* through the same hoop— ("whether this nation stays number one in the world's economy or resigns itself to second or third or fourth place . . . all that depends on your competitive spirit, your sense of personal destiny, your pride in your country and in yourself.").

Nobody seems to have given any thought to the assumptions underlying this kind of stuff. What is meant by "strength" in an economy? What is the relationship of that strength to international power? Is there any particular virtue in being first rather than second or third, and if so, in what does it reside? In the days when armies were the chief status symbol military sanity generally went out of the window: now that economic indicators are status symbols economic sanity is liable to end up at the same destination.

The other reason I would offer for the political excitement of the present crisis is really an aspect of the perennial schizophrenia which America displays towards her allies and from which America's allies suffer whenever they are confronted by her actions. We are still bedevilled by America's belief that she has never acted from anything but the best and purest motives and her allies' belief that they are doing her a favour by allowing her to help them—indeed the dollar dispute is the proof that this misunderstanding has gone far deeper *in the past few years* than most people realised.

To Americans the dollar deficit is the result of a combination of their own generous trade policies and the villainous protectionism of the Europeans and Japanese: to many Europeans it has simply been the American means of getting European real resources and investment assets on the cheap. To Americans, the presence of U.S. forces in Europe is an expensive contribution to the defence of freedom; to many Europeans these troops and their nuclear armoury are necessary parts of the defence of American interest.

And the present danger is that the U.S. is so angry at the "*ingratitude*" *of the Europeans* that it will fail to recognize that its own self-interest is involved in avoiding a trade war or a heavy Russian preponderance in Europe; while the Europeans forget that they are beneficiaries of American policy more often than they are its victims.

'Here is a Republican President, of reputedly impeccable Conservatism, introducing an economic programme that might have emerged from a tête-à-tête between Mr. Wilson, Lord George-Brown and Mr. Wedgwood Benn.'

Dimly behind all the exchanges of insults, I fancy this danger is now perceived on both sides of the argument. But it is possible that this is the most serious dispute within the West since the war, not because it is in itself so important, but because it symbolises a lack of communication worse than anyone had suspected.

MEANWHILE, those with a mind to it, can derive some slight relief from these gloomy vistas by casting an eye over the full text of Mr. Nixon's television broadcast on Sunday night. Here, Lord help us, is a Republican President of reputedly *impeccable* Conservatism introducing an economic programme which might have emerged from a long tête-à-tête between Mr. Wilson, Lord George Brown and Mr. Wedgwood Benn. A direct wages and prices freeze, an imports surcharge, special selective credits for job development and tax proposals for (result for it) "stimulating research and development of new industries and new technologies."

This splendid piece of dynamic socialist interventionism might, one would suppose, earn the disapproval of Mr. Heath—as indeed most of the *items in the package did when* they were applied to our own difficulties. But if the Prime Minister is thinking of picking up the hot-line to admonish the *President* he had better watch his language since almost every anathema he pronounced upon Mr. Wilson's efforts has been turned on its head by the President as a justification for his actions.

"A nation like a person has to have a certain inner drive in order to succeed. In economic affairs that inner drive is called the competitive spirit. Every action I have taken to-night is designed to nurture and stimulate that competitive spirit and to help us snap out of that self-doubt and self-disparagement that saps our energy and erodes our confidence in ourselves."

It does not leave much for Mr. Heath to say when and if he introduces his own prices and incomes policy.

'One cannot blame the Government for not wishing to raise the temperature any further in Ulster by a rancorous debate. But what on earth did the Opposition think it was up to?'

THERE WERE plenty of arguments for not recalling Parliament to discuss the Ulster situation—some good, some bad. But none of the arguments, not even the fact that MPs had only just dispersed was as powerful as the fundamental case for a recall, which is simply this. Parliament is supposed to be, above all, the guardian of the subject against arbitrary acts of the Crown and the Executive.

If the House of Commons, hearing that imprisonment without trial is being instituted in a part of the U.K. as an act of deliberate Government policy, does not feel that the subject is worth an urgent debate, it is hard to know what it imagines its function is supposed to be.

One cannot blame the Government for not wishing to raise the temperature any further in Ulster by a rancorous debate. *But what on earth did the Opposition* and the back-benchers on both sides think they were up to? Mr. Wilson would never have asked for a debate even at the end of August, if he had not been pushed. And it took ten solid days of street fighting on top of the internment to raise the hundred signatories who pushed him.

No doubt it will be said in defence of this miserable performance that everyone was being as statesmanlike as the Government. But in the first place the excuse is irrelevant: back-benchers are not paid to think like Ministers but to scrutinise and question, even when they cannot check, encroachments on liberty. And in the second place I do not believe it.

The real reasons why no move was made were that MPs do not want to know about Ulster, and no longer feel, in any case, that they can do any good by challenging *faits accomplis* of this kind. I shall no doubt be thought an incurable romantic for saying so, but I find this both wrong and sad. Internment may or may not have been necessary, but it was a grave step and an arguable one. It should have been argued in the traditional place.

Labour News

Chrysler new deal gives £3 rises

BY MICHAEL HAND, LABOUR CORRESPONDENT

NEW PAY and productivity ...al giving the 4,500 workers at ...rysler U.K.'s car assembly ...ant at Ryton, Coventry, basic ...eekly earnings of more than ...1 has been accepted by mass ...eetings on both the day and ...ght shifts.

They will receive an extra £3 ... week under the deal, which ...ll raise the hourly rate of pro...uction workers from 96p to ...03 or £38.40 to £41.20 for a ...-hour week. This amounts to ... increase of 8 per cent., which ...eans that Chrysler should not ...ll foul of the Government in ... bid to lower progressively ...e level of pay settlements.

...yton benefits

Ryton workers will also get ...veral other benefits. Lay-off ...y is being increased from 65 to ... per cent. of the production ...orkers' rate and a minimum of ... will be paid on the first day ... lay-off. These provisions ...ver up to two consecutive ...eeks of lay-off at any one time ...d up to four weeks in the ...ace of a year.

The deal will also mean better ...nsions and life insurance ...ver, higher holiday pay, better ...y rates for women and im...oved rates for week-day over...ne working.

The cost of the deal will be ...set to a large extent by pro...ctivity measures agreed by the ...orkers. These include arrange...ents for staggered tea breaks ... ensure continuous working on ...e production lines and the ...tension of work study tech...ques.

The new agreement will run for two years, although the pay rates and other benefits will be reviewed after 12 months. A *similar deal is being negotiated* at the company's Stoke engine factory in Coventry.

Triumph hopes

Triumph Motors at Coventry continues to be hit by a manning dispute involving internal drivers, although moves are taking place behind the scenes to try to find a settlement.

The drivers' go-slow has caused considerable congestion inside the factory which has been interupting production. But 2,000 of the 3,000 workers laid off yesterday have been re-called for to-day and it is hoped there will be enough work for everyone on Monday.

Work was also at a standstill at the company's Speke plant in Liverpool yesterday because of a continuing pay dispute involving paint shop workers. Most of the *2,900-strong labour force* was either on strike or laid off, although as a result of meetings yesterday it is expected that normal work will be resumed on *Monday.*

Two strikes at Jaguar Cars, also in Coventry, are threatening production and the jobs of workers there. Twenty skilled setter operators have stopped work over a piecework price dispute, while a smaller group of milling machinists is out on strike over a manning grievance.

A company spokesman said if normal working was not resumed fairly soon there could be serious repercussions.

Austin-Morris "half way to solving problems"

BY OUR OWN CORRESPONDENT

OXFORD, August 19.

...ITISH LEYLAND'S Austin-...rris group is now "half way ...ng the road to solving its ...blems," its managing director, ... George Turnbull, said here ...day.

"We have identified the ...blems, and are now on the ...y to overcoming them," he ...d. "I have always believed ...t the first job of manage...nt is to secure the future of ... company. I believe we have ... done that."

...ne of the problems was to get ... of the piecework payment ...tem, he added. "We are now ... the way to doing so in ...ford."

...ther factors

...ustin-Morris, said Mr. Turn...l, was no longer losing money. ...t was not simply a result of ...nging the payments system: it had helped but there were also other factors.

The company was still on target with its plan to build up output of the Morris Marina to 5,000 a week by the end of the year. Production of the Austin Maxi was also rising.

Workers at Oxford were fortunate to be on two models on which there were rising programmes, he said. The Marina was the first car they had been able to build in the numbers they wanted. This was a result of the men's decision to give up piecework.

Mr. Turnbull hinted that 1,000 new jobs would be created in the Cowley complex next year.

He hoped that Austin-Morris would achieve its target of 1m. cars a year by 1973. The group plans to get 30 per cent. of the home car market next year and Mr. Turnbull added: "That will mean 400,000 cars for Austin-Morris."

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Boom in colour TV sets accelerates

BY DAVID WALKER

THE BOOM in colour television set sales in the U.K. accelerated rapidly in July to bring home deliveries by manufacturers in the first seven months of 1971 to 51 per cent. above the total for the corresponding period of last year.

July alone, according to figures released yesterday by the British Radio Equipment Manufacturers' Association, saw a record 69,000 colour receivers sold, compared with 47,000 the previous month and 40,000 a year earlier.

The advance over the 12 months is the highest yet *recorded. Some boost to demand* undoubtedly resulted from the easier hire-purchase terms and purchase tax reductions but as these only occurred late in the month, following the mini-Budget, the main effect will be seen in August. Since the second half of the year is traditionally the bigger selling period for both radio and television, the outlook must be good.

Monochrome deliveries

Taking imports into account, *it looks as though overall colour* television sales this year could top the 900,000 mark, with U.K. companies supplying some 800,000. By the end of July, their total was 348,000, compared with 231,000 in the first seven months of 1970.

Monochrome set deliveries have kept at higher levels than was expected by the industry. In July, 110,000 were sold, 20,000 more than the previous month, though fewer than the 149,000 deliveries recorded in July, 1970.

For the first seven months of *the year as a whole, monochrome* receiver deliveries numbered 767,000, only 18 per cent. down on the 938,000 of the same period 12 months before.

July also saw some growth in radio sales following the low figures for the preceding three months. The total of 57,000 was 2,000 below the figure a year earlier, but well up on the June result of 47,000.

In the first seven months, radio deliveries totalled 380,000, down 5 per cent. on the 401,000 of January-July, 1970.

Radiograms and record players, too, received a slight boost in July. Deliveries numbered 12,000 and 26,000 respectively, compared with 10,000 and 25,000 in June and *12,000* and *36,000* the previous July.

Sales of radiograms for the seven months to bte end of July totalled 95,000, against 91,000 in *the same period last year, an* advance of 4 per cent. For record players, however, there was a 15 per cent. drop between the two periods, with 256,000 deliveries in the first seven months of last year comparing with 217,000 in the corresponding period of 1971.

North Sea oil, gas bids to be opened to-day

BY ADRIAN HAMILTON

THE Government is to open to-day and announce the sealed bids for the 15 blocks being offered for auction in the latest round of U.K. North Sea licences. At the same time, the exploration groups have also to put in their applications for the other 421 blocks offered on a non-bidding basis.

The round is widely expected to be the most active and sought-after in the history of North Sea exploitation, with about 100 groups applying for new licences and several hundred million pounds being put forward in bids.

It is the first time that any blocks have been offered on an auction basis and the bids will be opened before an invited *audience of oil company repre*sentatives and the Press in a ceremony in the Department of Trade and Industry early in the afternoon.

Although the Government may delay final announcement of the auction awards for several days until it has time to satisfy itself that the successful groups can meet all its requirements the blocks are generally expected to go to the highest bidder.

The auction's system has been introduced on an experimental basis for the moment but, if the response is satisfactory, the Government may well use it again in future rounds.

Final allocation of the other blocks may take several months as the distribution *is based on* the work programmes put forward and the Government's discretion.

Since the round was an*nounced* by the Government two months ago, London has been the scene of intense activity, with a large number of new companies, both from the U.K. and abroad, preparing for applications.

At the same time, companies which are already exploring in the area are organising new partners and different consortia. Earlier this week, Total, the French group, announced that it was forming two consortia with Pict Petroleum, the new Scottish exploration investment consortium, and *N. M. Rothschilds*, the bankers.

Other groups

Yesterday, Arpet Petroleum, a subsidiary of Atlantic Richfield of the U.S., announced that it was heading a group including Superior Oil, Canadian Superior Oil, Norsk Hydro Oil and Gas and Minster Assets.

Dome Petroleum, Numac Oil and Gas and Supertest Petroleum, three Canadian companies, have also recently registered subsidiaries in the U.K. in order to take part in the new round.

Among other groups expected to apply for licences for the first time are the Saudi Arabian State oil company, Pertamin; a *Norwegian consortium; the Ger*man national oil group, Deminex; and a number of Japanese concerns.

DUCTILE FORMS NEW COMPANY

The Ductile Steels group has merged Bentley Presses and DAC Engineering into a new company trading as Ductile Engineering.

The new company is based at Bentley Works, John Harper Street, Willenhall, Staffs, where expansion has created a more *comprehensive engineering unit.* Managing director is Mr. Norman Williams, formerly general manager and director of both companies.

LONG EATON ADVERTISER BACK HOME

Only 51 days after its buildings were flattened by falling masonry at the height of a £2m. factory fire, the Long Eaton Advertiser, *in Derbyshire,* was back in business on home ground yesterday.

On June 28, a retaining wall, part of a blazing tea packing factory near Long Eaton town centre, crashed on to the Advertiser's composing room, editorial headquarters and offices.

The last seven editions of the Advertiser and its sister weekly, the Stapleford and Sandiacre News, were printed by the T. Bailey Forman group in Nottingham.

Belgrave Mills may wind up

BY OUR OWN CORRESPONDENT

MANCHESTER, August 19.

ANOTHER 300 cotton textile workers face unemployment as a result of the decision of the directors of Belgrave Mills at Oldham to consider voluntary liquidation of the company.

Mr. H. Erin, the chairman, in a statement to-day said: "The *directors cannot anticipate any* return to normal profitable trading within the foreseeable future". As the company is solvent it is felt to be in the best interests of stockholders and creditors to conserve its remaining assets and if thought to be more advantageous, a meeting will be called to enter into a members' voluntary liquidation.

This is the second winding-up *to be proposed* by cotton mill companies within a week. On Friday last Crosses and Heatons, the Bolton concern which once controlled 27 mills, announced the impending closure of its remaining mill at Lostock Junction. If a bid for the capital is not received by the end of November liquidation will be recommended.

Mr. Erin blamed the postal strike, credit squeeze, deterioration in the national economic situation and ever-increasing quantities of cheap yarn and cloth imported from Commonwealth and EFTA countries for the Belgrave decision.

"The future as the Board sees it," he added, "involves still more steeply rising costs, particularly in raw cotton values, and as these costs cannot be incorporated in to-day's yarn prices it is impossible to spin yarn profitably at any level of efficiency achievable in the immediate future and convert that yarn into cash."

COMPANY NEWS + COMMENT

S. Hoffnung lifts total by 1%

WHOLESALE and general merchants, shippers, exporters, etc., S. Hoffnung and Co., is lifting its dividend from 35 to 36 per cent. for the year to March 31, 1971, with a final of 27½ per cent.

Group pre-tax profit increased from £1,020,203 to £1,308,944, after £494,000, against £430,000 for the first half.

	1970-71 £	1969-70 £
Group profit	1,308,944	1,020,203
Taxation	563,247	448,245
Minority holders	46,175	28,156
Net balance	699,522	543,702
Dividends*	433,002	414,941
Retained	266,520	128,761

* After £6,500 (£13,000) overspill relief.

● comment

Although Hoffnung's second half profits spurted ahead by 38 per cent. to leave the group 28 per cent. up on the year, the performance would have been even better if the manufacturing side had pulled its weight. Strikes dislocated operations and profitability was cut. The first quarter sales of the current year are well ahead but some uncertainty surrounds the group's immediate future. With about 90 per cent. of profits coming from Australian operations, there is a chance that last Tuesday's anti-inflationary budget will eventually depress profits. In addition rising costs—especially wages—continue to cut back profit margins. How hard these measures are going to hit Hoffnung has yet to be seen, so for the present the p/e of 12.7 at 190p seems high enough.

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Howden well placed to advance

IN PRESENTING the first annual report and accounts of the Howden Group since becoming chairman in January, Mr. L. Nicolson states that with the fundemental changes of the past year the group is now "well placed to move ahead again."

The order book stands at a high level and should provide "satisfactory profit margins" and with the benefits of recent reorganisation now beginning to show in tangible form Mr. Nicolson looks forward in the current year to further improvement.

Historically part of the Clyde industry with the emphasis on heavy engineering and marine work, he states that for the longer term the group is continuing to broaden its product base to serve a wide and growing range of markets.

As reported on July 23, group profit, before tax for the year April 30, 1971, ignoring special items, showed a sharp recovery from £446,468 to £930,256 and the total dividend is 16 per cent. (25 per cent.).

Turnover rose from £24.2m. to £30.2m. A geographical analysis shows U.K. £13.29m. (£11.27m.); North America £9.63m. (£6.44m.); Africa £2.4m. (£2.7m.); Australasia £2.42m. (£1.67m.); Europe £2.1m. (£1.97m.) and others £378,000 (£179,000).

Principal activities include engineering, mainly in the design and manufacture of air, gas and fluid handling equipment.

Meeting, Glasgow, September 23, at noon.

Old Broad St. Securities

Record pre-tax profits doubled at £1,274,000 for the year to June 30, 1971, compared with £540,000, and deposits up from £34m. to £39m. are revealed by Old Broad Street Securities, the merchant banking subsidiary of United Dominions Trust, in the first annual report and accounts to be issued to the public.

The group specialises in finance for property companies and advances to industry, and has a subsidiary, Old Broad Street Securities Assurance, which operates the Merchant Investors Property Bond.

Sir Alexander Ross, chairman, says full advantage has been taken of the many opportunities offered during the year which resulted in a significant expansion of lending activities both in volume and spread of customers. The bank has also benefited from average money costs lower than the previous year and continued to give substantial support to well proven property development companies.

OBSSA formed in 1970 to promote the property bond now has a fund in excess of £2m. Several properties have been acquired "which hold out excellent growth prospects."

"The benefits of our joint ventures with property development companies are not reflected in the year under review but will accrue to us over the next few years," Sir Alexander states.

Pifco dividend up 5%

A FINAL dividend of 40 per cent. by Pifco Holdings raises its total by 5 per cent. to 50 per cent. for the year ended April 30, 1971.

Profits increased from £388,244 to £455,166 before tax of £176,072 (£162,900). Net earnings per 20p share are shown at 27.9p (22.5p).

	1970-71 £	1969-70 £
Profit	471,512	397,650
Depreciation	16,346	9,356
Profit before tax	455,166	388,244
Taxation	176,072	162,900
Net profit	279,094	225,344
Dividend	100,000	90,000
Retained	179,094	135,344

The group manufactures and markets electrical appliances etc. Meeting, October 19.

● comment

Pifco has had its best ever year, with profits 12 per cent. ahead of the previous peak (1967-68) for an annual gain of 17 per cent. before tax. The performance owes quite a bit to wider margins, for sales growth last year was just over 9 per cent., and Pifco's claim to have held overheads in check fits in with that. This year, sales have made a good start in what is seasonally a slow quarter, and the group is also facing the prospect of further margin growth given price rises of 4 to 5 per cent. effective since May. At 335p a p/e of 11.8 looks fair. The discount on Hoover's 18½ multiple reflects Pifco's lack of a foothold in major white durables, which is the area currently gaining most post mini-Budget.

Optimism at ABE

At yesterday's annual meeting of Associated British Engineering, chairman, Mr. Robin Keir Watson, reported that the group had been trading at a profit since the start of the new financial year, and the order book—at £2.7m.—had continued to grow. "This is an encouraging position as it means the company has a sound basis for trading over the two years ahead."

No dividends were paid in the last financial year, but Mr. Keir Watson said that the position regarding the preference holders would be considered in the light of the first six months trading in the current year.

W. G. Allen holds 15%: scrip issue

FROM SHARPLY increased profits, W. G. Allen and Sons (Tipton) is maintaining its dividend at 15 per cent. for the year to March 31, 1971, with a final of 9 per cent.

A one-for-ten scrip issue is proposed and the directors expect to maintain the dividend on the enlarged capital.

The improved profit indicated last February turns out to be £316,295, against £212,090, struck after a loss of £38,465 (£59,140) engineering and mechanical handling. First half group profit was £136,000 (£131,000).

	1970-71 £	1969-70 £
Profit*	316,295	212,090
Taxation	114,373	102,561
Non-recurring expenditure	36,450	37,568
Capital profits	12,037	—

* After loss £38,465 (£59,140) on engineering and mechanical handling.

The results of the engineering and mechanical handling activities were affected by a trading loss of £118,881 incurred at Allens of Tipton. This included exceptional and non-recurring costs of £57,654 (after tax relief £34,593) and concludes the re-organisation referred to last year, the directors state.

● comment

There were definite signs at the interim stage that W. G. Allen was in for a recovery but by doubling second half profits, for an overall increase of 49 per cent., the 1970-71 results have something in hand over expectations. The heating side once again had a bumper year although the little extra, in way of profits, probably stemmed from the completion of reorganisation in the engineering and mechanical activties. As a result of this the latter is now trading profitably and with modernised plant helping to keep the heating side competitive W. G. Allen should again come up trumps in 1971-72. The shares, though, on a p/e of 7.7 at 69p appear to be missing this point.

P. Kunick pays 15%

From pre-tax profit more than doubled at £37,842, Philip Kunick is lifting its dividend from 5 to 15 per cent. for the year to April 24, 1971, with a final of 10 per cent. This restores the 1968-69 rate, and compares with 50 per cent. for the previous year.

The company, manufacturers of ladies' outsize outerwear, has full order books and its production difficulties have now been resolved. The directors are confident the current year will show a "further substantial improvement."

	1970-71 £	1969-70 £
Profit before tax	37,842	15,217
Tax	18,530	9,470
Net profit	19,312	5,747
Ordinary dividends	16,500	5,500
Added to reserves	3,312	247

Clayton Dewandre interim up

HIGHER first-half profits and an increase in the interim dividend from 8 per cent. to 8½ per cent. in respect of 1971 are announced by Clayton Dewandre Holdings, vehicle equipment, etc., makers.

Profits at the pre-tax level for the six months improved from £901,275 to £932,787. The figure for all of 1970 was £1,432,291, on which a dividend total of 24 per cent. was paid.

Chairman Mr. S. J. Barnes says the order book remains satisfactory, and the level of sales continues to be above that of the comparative 1970 period.

After tax of £358,000 (£356,000) the first-half net profit was £574,787 compared with £545,275.

● comment

Since the chairman announced increased prices and a record order book in April, Clayton Dewandre's shares have been full of sparkle, rising 44p to 123p before the news. It is this bull position that probably explains the 5p drop yesterday on the interim figures. For in the context of a depressed commercial vehicle market, particularly since last December, these figures must be viewed in a favourable light. Perhaps the prevailing buoyant order position will bring the buyers back again for the shares on a historic p/e of just under 16 at 118p still could have room for an upward adjustment.

5% extra from Steel Group

REPORTING record profits for the year ended March 31, 1971, the directors of the Steel Group are lifting the dividend total by 5 per cent. to 27½ per cent., with a final recommendation of 15 per cent.

Group pre-tax profit increased to £3,352,103, again the highest in its history and comparing with £2,165,505 in 1969-70.

As indicated in the interim statement the profit for the first half—£1,558,961 (£1,037,335)—and the forecast for the second half—or at least equal to the first—which has now been confirmed, arose from a "very substantial" increase in turnover, progressive product rationalisation and a marked improvement in the overall achievement of Coles Cranes in the U.K. and of the overseas subsidiaries.

Turnover increased from £26,266,960 to £37,698,302 in the year. The value of exports from the U.K. rose from £8,018,053 to £15,479,245 and represented 49 per cent. of the company's business carried out from the U.K.

Presently, the directors say, group order books are somewhat lower than at this time last year, partly as the results of the rate of production set up to overcome lengthening delivery schedules and partly because of a slackening in the input of orders recently which they believe will be of a short duration.

Nevertheless, this will result in a temporary reduction in output from its present rate until the situation is adjusted.

Overall business in negotiation and prospects continue to be "substantial" and a satisfactory proportion of it should be secured on acceptable terms.

Profit for the first half of the current year should be marginally above that of the comparable period last year, members are told.

Profit in the second half not so predictable but if contracts now in negotiation and other prospective business are concluded successfully "another worthwhile trading result should be achieved for the year as a whole."

	1970-71 £	1969-70 £
Profits	3,352,103	2,165,505
U.K. and overseas tax	1,424,069	1,088,224
Net profit	1,928,040	1,077,281
Minorities	8,474	3,459
Attributable	1,919,566	1,073,822
Interim Ord. div.	384,264	345,849
Final proposed	461,119	345,839
Share prem. a/c	1,384,962	1,384,962
Cap. reserves	253,585	278,962
Revenue reserves	5,174,868	4,026,265
Deb. red. res.	60,000	30,000

See Lex

Raglan profit higher

A group pre-tax profit improved from £153,753 to £181,599 is reported by Raglan Property Trust for the year to March 31, 1971.

As known, an interim dividend of 7½ per cent. (in lieu of final) has already been paid. This compares with 5 per cent. previously.

At the half way stage, when pre-tax figure was up from £65,987 to £80,293, directors forecast increased profits for the year.

Tax takes £80,578 (£75,418 leaving a net profit for the year of £101,021 (£78,335).

Mr. H. C. Cooper, the chairman and managing director of Lee Cooper, addressing shareholders at the annual meeting held yesterday at Brentwood in Essex.

DIVIDENDS ANNOUNCED

	Current payment %	Date of payment	Corresponding div. %	Total for year %	Total last year %
Acorn Securities ......int.	10	Oct. 29	9.6	10	9.6
W. G. Allen	9	—	9	15	15
Anchor Chemical ......int.	5½	Sept. 30	5½	—	(c)16
P. J. Carroll	13	Oct. 16	12	20	17
Richard Clay ......int.	3.5	Sept. 30	*3.18	—	*11.81
Clayton Dewandre ...int.	8½	Oct. 6	8	—	24
City & Commercl. Tst. int.	3.431	Sept. 30	—	—	6.568
Dhamai ......int.	5	Sept. 20	—	—	10
East Rand Consol. ......int.	†5cts	Oct. 15	2cts	—	4cts
Geevor Tin Mines	†10p	Oct. 28	20p	15p	30p
Samuel Heath and Sons	25	—	25	25	25
S. Hoffnung	27½	—	26½	36	35
Jeyes ......int.	7	Oct. 20	6.66	—	19.16
A. A. Jones and Shipman int.	6	Oct. 6	6	—	20
Philip Kunick	10	Oct. 16	5	15	5
Pelmadulla	14	Sept. 22	17	18	21
Pifco	40	Oct. 20	35	50	45
Priestman Bros.	5½	—	(d)nil	5½	nil
Royal Insurance ......int.	†5.5p	Nov. 19	5p	—	13p
Sharpe & Fisher ......int.	6	Oct. 25	5	—	13
Smith & Nephew ......int.	7	Oct. 1	6¾	—	20¼
Steel Group	15	Oct. 8	11¼	27½	22½

* Equivalent after allowing for scrip issue. † Amount per share.

(a) Tax free. (b) On capital increased by rights and/or acquisition issues. (c) For 13 months. (d) For 6 months.

Jeyes sales and profits increase

For the 24 weeks to June 19, 1971, sales of the Jeyes Group were up 11.6 per cent. to £8,289,000 and pre-tax profits increased 7.6 per cent. to £441,000.

Comparable figures in 1970 were £7,430,000 and £410,000 respectively and include Associated Aerosol Industries (acquired last November) with sales of £742,000 and a loss of £16,000.

The interim dividend is being raised from 6⅔ per cent. to 7 per cent. For the year 1970, the total was 19.16 per cent. on pre-tax profits of £833,599.

Cannon Street Investments

Compared with an estimate of not less than £350,000 made at the time of the offer for Unex Investment Trust, Cannon Street Investments has turned in a profit before tax, of £373,000 for the year ended April 30, 1971.

After tax of £140,000 and minorities and exceptional credits, the figure at the attributable level emerges at £197,000 (£160,000 estimated) giving stated earnings of 1.7p per 10p share.

For the previous 13 months the pre-tax balance was £214,000, attributable £76,000 and earnings 1.2p.

Dividends totalling 12 per cent. against 8 per cent. have already been declared.

Chairman Mr. M. H. Despard says that the rights issue and the acquisition of Unex after the year end have materially altered the group structure and produced a "strong financial base from which to increase the scope of its activities."

All divisions of the group—investment and property, financial, horticulture and plastics, and marketing—are making good progress in the current year he reports.

The company is well placed to progress its plans and Mr. Despard looks forward to another record year.

At April 30 the chairman held 1m. Ordinary shares. Meeting, Winchester House, E.C., September 10 at 2.30 p.m.

Melbray liquidity improves

Mr. R. A. Edwards, chairman of the Melbray Group tells shareholders that the restructuring of the group—involving the retraction within less profitable sections and the redeployment of the funds released into the more profitable growth sections—is virtually complete.

The "great" sums of money spent on moving and re-organisation has in the main been found from the "planned and successfully executed" retraction in the food division.

Consequently, group liquidity, in spite of this expenditure and the relative absence of profit in the last year, is not under any particular strain and has improved since the year-end.

"As we eliminate or restore to viability our problem companies, we have every hope of a significant profit recovery," the chairman adds.

As reported on July 31, group pre-tax profit for the year to March 31, 1971, before consolidation of the Sykes International subsidiary, was down from £1,215,774 to £451,706. A single 5 per cent. interim compares with the 15 per cent. total previously.

The auditors qualify their report—"In view of the auditors' reports, set out in note 3, on the accounts of two subsidiary companies audited by other auditors, we are unable to state whether or not the consolidated accounts give, so far as concerns members of Melbray Group, a true and fair view of the state of affairs of the group at March 31, 1971, or of the group loss arising in the year ended on that date, so far as is practicable in that the financial periods of certain of the subsidiaries cover periods other than the year to and end on dates other than March 31, 1971."

In this connection, the Melbray directors say that in the case of Manlove Tullis Group its directors state that, after extensive additional work carried out by the auditors and the company's staff, they are satisfied that no significant liabilities have been omitted and that the value attributable to work-in-progress and finished parts is substantially accurate and if anything conservative.

In the case of Sykes International and its subsidiaries the directors of Melbray are satisfied that the appropriation of reserves as a provision against losses and estimated costs relative to the proposed reorganisation and retraction should prove adequate.

Meeting, 66, Knightsbridge, S.W., September 13 at 11.30 a.m.

Smith & Nephew progress

OPERATING profits from sales by Smith and Nephew Associated Companies in the 24 weeks to June 19, 1971, increased by 13.9 per cent. to £3,411,000, compared with the same 1970 period. The increase would be 10.1 per cent. if adjustment is made for Gala Cosmetic results, which were not included in 1970.

After a substantially lower credit of £98,000 (£268,000) for associated companies, the pre-tax profit for the period shows a rise of 7.6 per cent. to £3,509,000, while the net attributable balance increased by 6.6 per cent. to £1,975,000.

Operating profit for the first 12 weeks was reported at £1,645,000 (£1,438,000) and the pre-tax balance at £1,717,000 (£1,582,000).

The interim dividend is rounded up from 6¾ per cent. to 7 per cent. for 1971. Last year's total was 20¼ per cent.

Sales, excluding inter-company or sales by associates, increased 20.2 per cent. in the 24 weeks' period. Excluding Gala for 1971, the increase would have been 11.1 per cent.

In associated companies, continued adverse trading conditions in British Tissues resulted in a substantial reduction in income, partially offset by an increase in profits from other companies.

	24 weeks 1971 £000	1970 £000
Sales	27,538	21,535
Operating profit	3,411	2,994
Associates	98	268
Profit before tax	3,509	3,262
Taxation	1,409	1,400
Minorities	125	10
Attributable	1,975	1,852

● comment

Smith and Nephew has emerged from its second quarter with a performance that does not quite match the opening three months. Pre-tax, profits growth over the two quarters runs 9 per cent. and 6½ per cent. with sales expansion slowing on slightly better margins. At the earnings level the deterioration is more marked—growth slipping from 10 per cent. to 6½ per cent. Cosmetics, of course, are having a bumper time, witness Gala's six-month growth of 37 per cent. pre-tax, while elsewhere the U.K. generally has moved forward. But some of the overseas areas have had a hard time, notably Canada and Australia. As for the unhappy associates trend—second-quarter returns of £26,000 against £124,000—that can be blamed squarely on British Tissues where the turnround into losses over January-June, 1970, accounts for some £228,000 pre-tax. Projecting the reported earnings growth for the full year means earnings of 3p a share and at 67p a p/e of 22. That is looking strained given complete absence of news on the Hydron front, where negotiations with National Patent Development for U.K. and European rights to market soft contact lenses are now three months old.

Bristol & West-Pontypool Bldg. merger

Shareholders of the 80-year-old Pontypool Permanent Building Society, which has assets of £400,000, have agreed to a merger with the £165m. Bristol and West Building Society.

The merger is the result of the increasing difficulties facing smaller societies to-day in attracting sufficient funds and in being able to offer the wider range of saving facilities available through a large building society. The Pontypool engagements will be transferred to Bristol and West on September 30.

Carroll paying 3% extra

DUBLIN-BASED cigarette and tobacco manufacturers, P. J. Carroll and Co., is raising its dividend from 17 to 20 per cent. for the year to June 30, 1971, with a final of 15 per cent.

Group sales increased from £38.28m. to £41.39m., and pre-tax profit from £1.75m. to £1.87m.

	1970-71 £	1969-70 £
Group sales	41,392,000	38,277,0[illegible]
Profit	1,871,738	1,751,78[illegible]
Taxation	909,399	835,5[illegible]
Net profit	962,339	916,1[illegible]
Loan stock red. fund	—	5,6[illegible]
Preference dividend	16,415	16,2[illegible]
Ordinary	410,065	342,1[illegible]
Retained	535,859	557,5[illegible]

The results are after charging certain exceptional items totalling some £110,000.

The tax provision is based on estimated liability for the year at current rates. Additional tax in respect of the years ended June 1969 and June, 1970, amounting to £242,000 has been provided out of the revenue reserves.

The major fixed asset investment programme is now complete. Consequently, depreciation charged amounts to £263,000 (£146,000).

Both domestic and export unit sales volume were at new record levels. In the domestic market this arises from increased share since total industry sales were down almost 2 per cent. By June, however, industry sales had recovered to the levels at June, 1970.

P.O. plans screen-an-ad service

COMMERCIAL ADVERTISING on screens is to be introduced into Post Offices. The plan is for advertising to be shown on a 20 by 30 inch illuminated screen, similar to television, in a pioneering move in the North West. The machine will show up to 40 advrtisements, each lasting about four seconds.

A spokesman for the North Western Postal Board said that machines were being installed in about 50 main post offices in the Manchester area. It was planned to extend the scheme to Merseyside, then other areas until advertisers could be offered the whole of the North West.

Automatic machines selling picture postcards are also to be introduced in North West holiday centres.

ISSUE NEWS

EAST RAND RIGHTS

East Rand Consolidated proposes to make a rights issue on the basis of one-for-five. Proceeds will be used to improve the company's liquid resources and to repay the temporary overdraft resulting from the acquisition of shares in NMC Investments. Full details will be circulated to holders in due course.

NEW DEALINGS

Dealings started yesterday in the new "B" shares of Witan Investment. The shares opened and closed at 90p.

OTHER ISSUE NEWS

W. G. Allen, this page.

RESULTS AND ACCOUNTS IN BRIEF

C. BAKER AND CO. (WHOLESALERS)—No dividend on Ordinary for year to January 9, 1971 (same). Group net loss £11,256 (loss £4,858) after tax nil (credit £2,319).

BAKER WARDELL AND CO. (a member of the ITM Group). Dividend 27.34 per cent. for the year to March 26, 1971 (43 per cent.). Profit £18,726 (£28,914 for 15 months). Tax £4,012 (£7,421). Profit after tax £14,257 (£12,104). Retained £4,082 (£12,512). Dividends £16,971 (£20,504). Forward £1,278 (£4,092). Fixed assets £235,946 (£230,897). Net current liabilities £116,720 (£94,027). Meeting, Dublin, September 10, 11 a.m.

DIXOR (manufacturers of cosmetics)—Net profit for half-year to April 2, 1971, £3,790 (£5,2[illegible] for nine months to October 4, 1970) before tax of £1,200 (£1,500). In accordance with past custom, directors have not declared an interim dividend. Because of the change in accounting period figures for first six months of previous year are not comparative. A dividend of 9 per cent. was paid for nine months ended October 4, 1970.

GEEVOR TIN MINES—Final 10p per 25p share making 15p (30p) year to March 31, 1971. Net profit £107,490 (£156,643) after tax of £40,030 (£117,160).

GENERAL FUNDS INVESTMENT TRUST—As known, interim dividend 6 per cent. (same—total 15 per cent.) for year to January 15, 1972. Gross revenue for second quarter £68,176 (£100,578). Total for two quarters £130,720 (£190,736) and for whole year 1970-71 £357,911. Investments at August 2, 1971, £10,055,218 (at January 15, 1971, £8,191,591). Net asset value per 25p Ordinary share, August 2, 1971, 130.89p (104.20p). Net asset value per 10p convertible Ordinary, August 2, 1971 94.24p (75.10p), after deducting capital gains tax on all capital profits realised to date and accrued charges and including full dollar premium. Directors state that interim results should not be taken as an indication for remainder of the year, in particular some sales of gilt-edged have affected some receipts.

HELICAL BAR (ferro concrete structures)—No dividend. Year to April 30, 1971 (same). Group net profit £36,066 (£19,368), after tax £44,554 (£16,232).

LIVERPOOL LONDON AND GLOBE INSURANCE (subsidiary of Royal Insurance)—Interim dividend £3 per share (same).

MIDLAND IDEAL HOMES (HOLDINGS)—Results year ended March 27 reported July 17. Group fixed assets £1,032,658 (£1,052,261), current assets £2,030,616 (£1,814,508)—including hire purchase, instalment credit and other debtors, after providing for doubtful debts, of £1,503,244 (£1,348,083)—and liabilities £1,630,835 (£1,468,074) including overdrafts £660,857 (£700,945), deposits £153,244 (£200,444) and block discounting of HP arrangements £265,292 (£143,657). Provision for unearned profit on HP and instalment accounts £327,939 (£205,722). Chairman says current turnover and profits exceed the same period of last year and he hopes full accounts will show further improvement. Meeting, Nottingham, September 9, noon.

PAHANG CONSOLIDATED CO.—Estimated profit before tax for year to July 31, 1971 £377,000 (£499,745).

PENTLAND INVESTMENT TRUST—Gross income for half year to June 30, 1971 £326,653 (£207,911) after interest and expenses. Deduct tax £20,692 (£22,983). Total net assets including full dollar premium £22,134,151 (£9,736,558). Net asset value per share after deducting prior charges at par, 110.8p (55.75p at June 30, 1970). Figures for 1970 are not comparable due to amalgamation with London Scottish Investment Trust. Interim 5 per cent. (same—total 12 per cent.) already paid.

PELMADULLA—Final 14 per cent. making 18 per cent. (21 per cent.) for 1970. Consolidated net profit £65,192 (£75,078), after tax of £24,900 (£31,500).

PRIESTMAN BROTHERS (subsidiary of Steel Group)—Dividend of 5½ per cent. year to March 31, 1971 (nil for 6 months). Pre-tax profit £232,490 (loss £23,509 for 6 months). Tax takes £99,100 (£1,556). Net profit £133,390 (loss £22,223).

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Good first half for Royal Insurance

PRE-TAX profits of Royal Insurance rose from £14.6m. to £20.5m. in the first half of the current year and the interim dividend is being increased from 5p a share to 5.5p. Last year's total was 13p.

While the directors state that the half-year results "should not be taken as giving a reliable indication as to the outcome for the year," it was pointed out yesterday by chairman Sir Paul Chambers that the figures reflect a continuation of the improvement in underwriting results over the past four years.

The underwriting improvement has contributed most of the profits rise, with a turn-round from the losses of £400,000 reported in the first half of 1970 to a profit of £4m. This, it was stated, reflects both the impact of higher premiums and the company's efforts in recent years to reduce loss-making business, especially in the U.S.

There was still a small loss of £1.8m. on U.S. business, but this showed a further sharp reduction from the £3m. loss in the first half of last year. Elsewhere, the group improved its underwriting profits from £2.6m. to £5.8m.

The directors say that apart from Australia, where there was a slightly worse result, the underwriting figures were better in all areas.

Long term insurance profits were again £600,000 and investment income increased from £14.4m. to £15.9m. *Total premiums* written on general insurance business rose from £200.4m. to £229.2m.

Commenting on the possible impact of the U.S. economic measures, the chairman argued that they were unlikely to be serious in the short term. In the longer term, he said, they would be beneficial *if* they succeed in increasing the rate of economic growth in the U.S. and reducing the rate of inflation.

	*6 mths. 1971 £m.	1970 £m.	Year 1970 £m.
General insurance:			
Prems. written	229.2	200.4	405.4
Underwriting profit:			
U.S.	*1.8	*3.0	*4.6
Elsewhere	5.8	2.6	3.2
Total	4.0	*0.4	*1.4
Long term ins. profits	0.6	0.6	1.3
Investment income	15.9	14.4	30.4
Profit before tax	20.5	14.6	30.3
U.S. operating ratios:	%	%	%
Claims to earned prems.	71.5	71.3	70.7
Exps. to written prems.	28.7	29.8	30.4
Operating ratio	100.2	101.1	101.1

* Loss. · Estimated results based on rates of exchange ruling at June 30, 1971.

Long term insurance:	£m.	£m.	£m.
New sums assured	326.9	234.3	507.5
New annuities p.a.	4.1	3.0	6.3
New life and annuity premiums	13.5	5.8	11.9

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See Lex

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interims or finals and the sub-division shown below is based mainly on last year's time-table:—

TO-DAY

Interims:—Benford Machinery Concrete, Jersey Electricity, Lotus, Loyds Retailers, Masson Scott and Thrussell, Photax (London), Relyon P.B.W.S., Wolf Electric Tools.

Finals:—Copthall Holdings, Gresham Inv. Trust, Gripperrods, L. Hammond, Scottish English and European Textiles, Robert Stigwood.

FUTURE DATES

Interims:—

Ausm-Hall	Aug. 24
Brammer (H.)	Aug. 25
Dalcholme (Hldgs.)	Aug. 28
Lamson Industries	Sept. 29
London Brick	Aug. 26
London City and Westcliff Prop.	Aug. 25
Long John International	Sept. 1
Peumount Estates	Aug. 25
Turner (W. and E.)	Aug. 25

Finals:—

Aerialite	Sept. 6
Capital and Counties Property	Aug. 26
Courtney Pope	Aug. 24
Cowan de Groot	Aug. 27
Demodera Tea	Aug. 24
Drury Holdings	Aug. 26
Estates Property Investment	Aug. 25
Galliford Brindley	Aug. 26
Kennedy Smale	Aug. 23
London and St. Lawrence Invest.	Aug. 24
Oceana Consolidated	Aug. 27
Photopia International	Aug. 26
Telefusion	Aug. 23
Vantona	Aug. 25
Warner Holidays	Aug. 26

City and Commercial

Directors of City and Commercial Investment Trust have declared an interim distribution of 3.431 per cent. on the 25p Income shares and expect the total for the year to January 31, 1972, to exceed 6 per cent. For 1970-71 there was a single 6.568 per cent. payment.

Net revenue for the half year to July 31, 1971 was £124,154 against £122,497 after tax of £80,614 (£86,558). There is to be added income-tax relief of £78,546 (£86,008) making distributable revenue £202,700, compared with £208,505.

Asset value per £1 Capital share at *July 31 was 183⅜p (122⅞p at* January 31, 1971).

Metal Traders cautious

GENERAL lack of confidence is currently inhibiting buying, the chairman of Metal Traders, Sir John Brown, tells members and this, coupled with increasing overheads, induced by inflation, makes it difficult to be anything but cautious regarding prospects for the current year.

However, the somewhat wider spread of interests which the group now has throughout the world should help over the medium term future to mitigate the harsh effects of the now somewhat prolonged lack of trading opportunities, he says.

As reported on July 15, group profit, before tax, for the year ended March 31, 1971 was £89,714 lower at £857,500 and the dividend 30 per cent. (equivalent 40 per cent.).

The reduction in profit was due to continuance of very inactive trading conditions after November 30, 1970 and more significantly to the need to write down very substantially year-end stocks of certain metals and mineral ores.

Regarding Europe, he says that the development of subsidiaries in Switzerland and Austria has continued and these companies should shortly contribute significantly to group earnings.

Chairman's statement Page 8

Sharpe & Fisher interim up

WHILE the rate of increase shown in the 1970 figures will not necessarily be repeated, chairman of Sharpe and Fisher, Mr. K. J. Fisher says it is now clear that if present trends continue, profits for 1971 will "comfortably exceed" those of the previous year, when there was a balance, before tax, of £301,276.

For the six months to June 30, 1971, profit has improved from £103,616 to £164,351.

An increased interim dividend of 6 per cent. (5 per cent.) is declared. Previous total was 13 per cent.

The chairman reports that present indications are that the second six months will again show increased sales but they have to be *measured against high sales* for the comparable period.

The group trades as distributors to the engineering, building and allied trades.

Unigate sees improvement

SIR JAMES BARKER, chairman of *Unigate, the United Dairies, Cow* and Gate, milk, food, grocery and transport group, is hopeful of success in improving profits in the current year.

He points out that following the CBI initiative the group will do its utmost to hold back price increases, "thus to a very real extent our results will depend upon whether wage and cost inflation can be contained."

Regarding Britain's application for EEC membership, Sir James is confident of the opportunities it will bring and looks forward to the successful conclusion of negotiations.

Opportunities for British cheese and dairy produce in U.K. markets and on the Continent will develop *rapidly and he feels that the company* is better placed than any others to take advantage of them.

In the year ended March 31, 1971, group turnover advanced from £309.8m. to £340m. and profit, before tax, from £9.72m. to £10.67m. Directors' emoluments of £211,000 (£272,000) included a lump sum payment to a former director of £25,000 (£55,000).

Further development has taken place in the grocery division; rationalisation has continued, resulting in closure of 100 more small shops and the opening of five supermarkets. Seven more are due to be opened this year.

Wholesale grocery companies have continued to expand. Sir James says the change in emphasis from wholesaling to *cash-and-carry continues and this* is now being offered in six of eight warehouses.

Further conversions have been made from small grocery shops to launderettes, Kentucky Fried *Chicken, and inexpensive fashion* shops.

The International division has had a successful year and the ground work has been laid for future expansion in a number of areas.

Year-end capital commitments comprised £4.1m. (£3.77m.) contracted for and £3.25m. (£2.14m.) *uncontracted*.

As reported, July 29, the dividend is stepped up from 10½ per cent. to 11½ per cent. Meeting, Grosvenor House, Park Lane, W., September 17, at noon.

See Below

Metropole Industries

Group profit of Metropole Industries amounted to £11,547, against £957, for the year to March 31, 1971, after exceptional items £20,807 and debenture interest £23,374 (£93,750). As before no tax *is* payable.

As already announced, there is no Ordinary dividend for the year to March 31, 1971 (same). The terms of the capital reorganisation precludes payment of any Ordinary dividend for the year to March 31, 1972. The first dividend that is due to be paid is the half-year by Preference of 3½ per cent. on January 31, 1972.

Losses incurred by the heating engineers, following the failure of one of the larger building companies in East Anglia, have been curtailed and those relating to oil distributors have been eliminated.

There was a "notable" turnround to profitability in the precision engineering subsidiary, IV Pressure Controllers, which is continuing.

Trading results for the first four months of 1971-72 are ahead of budget and the directors anticipate that these encouraging trends will continue.

Anchor Chemicals

Group pre-tax profit of Anchor Chemical improved slightly from £108,824 to £112,836 in the 25 weeks to June 27, 1971, and chairman, Sir Clyde Hewlett, is keeping to his forecast that improvement in activity should, given no worse than normal conditions, render a satisfactory increase in profit in 1971.

An unchanged interim dividend of 5½ per cent. is declared. A total of 16 per cent. was paid for the 13 months to December 31, 1970, from profits of £193,593.

Sir Clyde reports that still more effective cost control has been established and will help second half results and those of subsequent years.

Plans for further chemical manufacture have been consider*ably advanced and the company* should be able to start benefiting in 1972 from the plants to be erected very soon on the Clayton site.

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid Up	Latest Renunc. Date	1971 High	1971 Low	Stock	Closing Price p	+ or −	Div. Amount	Times Covered	Gross Yield	P/E Ratio
75	F.P.	3.9	82	76	Allied Polymer	77	......	b18	1.3	5.8	13.3
♦	F.P.	—	190	150	Berwick Timpo (£1)	184	......	b6	2.6	3.2	11.7
♦	F.P.	11.8	161	152	British & Can. Inv.	161	+5	9	—	1.4	—
	F.P.	...	49	40	Cap. & Counties W'rr'ts	44½	−½	—	—	—	—
38	F.P.	21.7	45½	40	Coley-Bonding Grp.	40	......	b10	1.7	6.2	9.3
♦	F.P.	30.7	60	60	Commodore Secs.	57½	−½	b12½	2.2	2.2	21.5
♦	F.P.	...	61	55	Cowalt	56	......	b15	1.8	6.7	8.1
90	F.P.	11.8	100	90½	Evans of Leeds	100	+1½	b15	1.4	3.7	19.2
44	F.P.	27.8	56	52	Forminster 10p	56½	......	b3.75	1.4	6.8	10.6
100	F.P.	5.8	103½	97	Glenderom Inv.	102	+½	b13	—	2.9	—
100	F.P.	5.8	118½	106½	Do. Do. "B"	112	......	—	—	—	—
90	F.P.	3.9	124	112	Kettering M'f'rs'erv 10p	120	−1	b40	1.6	3.3	18.2
[illegible]	F.P.	27.8	65	65	Lawdon 10p	62	−1	b35	1.8	5.6	9.9
40	F.P.	4.6	45½	35	Lancroft Kilgour (10p)	37	......	b27	1.9	7.3	7.0
♦	F.P.	11.8	265	240	Mathews Wright'n 20p	243	+1	b40	1.9	3.3	16.3
	F.P.	16.9	72	65	Mucklow (A.& J.) Dfd.	72	......	—	—	—	—
62	F.P.	26.8	85	72	Ass. News-agents (10p)	80	......	b22½	2.2	2.8	15.9
	F.P.	—	86	70	Schlesinger (R1)	71	......	b4.2	—	3.5	—
56	F.P.	3.9	62½	66	Thanet Inv. (10p)	68	......	—	—	—	—
28	F.P.	3.9	34½	32½	Do. Warrants	33	......	—	—	—	—
17½	F.P.	8.9	18	16½	Wright-Scriven (12½p)	16¾	......	b12	1.5	9.0	7.4

FIXED INTEREST STOCKS

Issue Price £	Amount Paid Up	Latest Renunc. Date	1971 High	1971 Low	Stock	Closing Price £	+ or −
100	F.P.	—	99	97½	Airlease 9% Gua. S Bds. 1983	98½	......
100	F.P.	—	99½	97	Do. 8¾% Gua. S Notes 1976	99½	......
100	F.P.	—	105	98	Armour Trust 10½% Part Conv. '91-6	103	......
100	£25	15/10	25½	24½	Automotive Products 10.4% Deb. '96-2001	27¼	......
100	£35	29/10	35½	34½	Brady (G.) 11% Deb 1991-96	35⅛	......
100	£50	31/12	51½	50	Bristol E. Pst. 10½% M. Deb. '91-6	51⅛	......
..	F.P.	17/9	105	96	Butterley 10% Part. Conv. 1976	105	......
100	F.P.	6.9	96½	93¼	Cap & Counties 9½% Uns. '91-6	96½	......
100	F.P.	6.8	111	105¼	Cattle Hlds. 9% Conv. '87-91	111	......
100	F.P.	—	93	85	Central & Sheer 10% Uns. 1991	89	......
100	F.P.	16.8	115	106	Chloride 7½% Conv. 1986-91	115	+½
100	F.P.	8/9	102½	99¼	City Acre 10.2% 1st Mort. '91-6	102½	......
100	£25	14.1	29½	27	Distillers 10½% Uns. Ln. '93-8	28½	+¼
..	—	—	11½	9½	Drakes 10½% Uns. Ln. '71-'78	95½	......
99	£25	1.10	27¾	26¾	Eastbourne Water 10½% Red. Deb. '95-7	27¾	+¼
99	£50	1.10	53½	50	Hargreaves 10½% Deb. '92-97	53½	......
100	£50	24/9	53½	51	Hepworth Cer. 10.4% Deb. '92.7	53½	......
100	F.P.	—	101½	100	Int. Bank 8% 1976	101½	......
97½	F.P.	30/11	105½	92	I.C.F.C. 9% Uns. Ln. Stk. 1977	105½	......
100	F.P.	—	99½	98¾	I.C.I. Int. Fin. 8% ST. DM. Bds. '78-88	98¾	......
97	£10	—	10¼	10¼	Ireland 9½% Stock 1991-96	10¼	......
..	F.P.	20.8	115	105	Kleeman 7½% Conv. 1981	111	......
£1	nil	—	6	6	Kulim 10½% Conv. Uns. Ln. Stk. 92/97	6pm	......
103	F.P.	27/8	111	107½	Mid. Sth Water 10% Red. Pref. '77	108	......
..	F.P.	15.9	102	92½	Newman Inds. 10½% Part Conv. '96-8	99	......
100	£10	17.12	10¼	9⅞	North'pton Corp. 8% Red. Stk. '75.9	10½	−⅛
100	F.P.	11.8	113	106	Plantation 11% Conv. Sub. '91-96	110	......
100	F.P.	15.10	117	114½	Racal Elect. 6% Conv. '95-2000	116	......
100	F.P.	16.9	106	100	Ralli Int. 9% Uns. 1974	102½	+1½
99	£25	7.10	25¾	24¼	Reeves (F.J.) 11% Deb. '96-2001	25¾	......
..	F.P.	—	41	41	Rothschild Inv. 4½% Deb. Stk.	41	......
..	F.P.	—	47	47	Do. 5% Cum. Pref.	47	......
..	F.P.	—	55	55	Do. 6% Cum. Pref.	53	......
100	F.P.	13/8	107	98	Ruberoid 10% Prty Conv. Uns. Ln. Stk. 90-95	104½	−1
100	F.P.	—	99½	97	Sandvikens 8% S Bonds 1986	97	−½
99	£50	31.1	50½	50	Sheepbridge 10½% Deb. '92-7	50½	......
100	£25	8/10	32½	26¼	Throgmorton Tst. 5½% Conv. 88-92	32¼	−¼
100	F.P.	6.8	107	101	Union Comm. 6½% Conv. 1986	105½	−½
104	£10	15/9	18½	13½	Wrexham & E.D. 10% Red. Pref. 1977	18½	......

"RIGHTS" OFFERS

Issue Price p	Amount Paid Up	Latest Renunc. Date	Stock	Closing Price p***	+ or −
33	Nil	3.9	Atlas Stone	15pm	......
$SL55	37p	2.7	Bougainville Mines	85	−2
90	F.P.	2.9	Bowls	196	......
25	Nil	25.8	Coltspur Inv.	15½pm	−½
167½	..	—	Lon. & Assoc.	2pm	......
70	Nil	26.8	Sheepbridge Eng.	10½pm	......
40	Nil	9.8	Tilbury Contracting	13pm	......
95	F.P.	20.8	Watney Hughes	134	......
40	Nil	26.8	Youghal Carpets	4½pm	......

Renunciation date usually last day for dealing free of stamp duty. *a* Placing price to public. *b* Figures based on prospectus estimate. *d* Dividend rate paid or payable on part of capital; cover based on dividend on full capital. *k* Figures assumed on prospectus or other official estimate for 1969-70. *p*** Pence unless otherwise indicated. ** Issued by tender. ‡ Offered to holders of Ordinary shares as a "rights." ♥ Issued by way of rights. † Rights by way of capitalisation. †† Tender allotment price. ♦ Reintroduced. ‡‡ Issued in connection with reorganisation, merger or take-over. ♣ Introduction. ♠ Issued to former preference holders. ❖ Provincial quotation. * Deals in under Special Rule. § Price at time of suspension.

INTERNATIONAL COMPANY NEWS + EURO MARKETS

Refusal of bid for Bastogi may mean control battle

BY PETER TUMIATI

THE DECISION yesterday by the board of Italy's Bastogi Company (its full name is Societa Italiana Strade Ferrate Meridionali) to brush aside the takeover offer by the financier Signor Michele Sindona, and approve in its place the merger with three other companies—Italpi, Sges and Ses—may result in a battle for control of Bastogi. Signor Sindona is reported to have acquired on the Bourses over a period of many months as many Bastogi shares as are owned by the voting syndicate which controls Bastogi and is backing the proposed merger.

Speaking to the Financial Times to-day, Signor Sindona said he was not prepared to comment on the report that he was considering fighting the proposal of Bastogi's Board, or that he already had as many Bastogi shares as the voting syndicate. Signor Sindona is a new-type of financier for Italy. He has been described as Italy's first real merchant banker. Hambros Bank, of London, are in partnership with Signor Sindona in several ventures in Italy, a bank in Switzerland and ventures elsewhere.

The proposed merger will have to be approved by shareholders meetings of all the four companies concerned next month. If it is true that Signor Sindona already has a major shareholding in Bastogi, this company's meeting could be a very stormy one. Signor Sindona is believed to want to merge Bastogi with La Centrale, the financial company control of which was acquired earlier this year by a group including Sindona and headed by Hambros.

Bastogi's capital is Lire 60,000m. Its net profits in 1969 amounted to Lire 5,407m. It has important shareholdings in a vast range of industries, from insurance to chemicals. Among them are something like 60m. shares of the Montedison chemical company. Bastogi became a financial company after the nationalisation of Italian Railways at the turn of the century. Two of the three companies with whom a merger is proposed—Sges and Ses—are former power companies. Before the nationalisation of power in 1962 Sges was the main power company in Sicily and Ses the main one in Sardinia.

Italpi is controlled by the Montedison group and has a wide range of interests in industry. Italpi's capital is Lire 45,000m. The Sges capital is Lire 42,300m. and Ses's capital is Lire 22,326m. All four companies, like La Centrale, are still receiving large annual payments from the government for the nationalisation of their power interests. Merged together in Bastogi they would become Italy's third largest financial company, preceded only by two State-controlled groups.

Bastogi stands for Italy's financial establishment. Its Board of directors reads rather like an Almanack de Gotha of Italian finance. But the key figures on it are Signor Eugenio Cefis, the new President of Montedison who was formerly president of ENI, the State-controlled oil corporation, and Signor Enrico Cuccia, the managing director of the medium-term financial institute Mediobanca.

Veba profit to be same as in 1970

BOCHUM, August 19.

VEBA first-half profit of DM96m. was unchanged from the first half of 1970, executive Board chairman Heinz Kemper told the shareholders' meeting.

Better results in chemicals balanced a fall in the electrical sector, he said.

Veba expects 1971 results to remain about constant with last year, Kemper added. In the last full accounting year, the 12 months ended September 30, 1970, net profit totalled DM197m. Following a three-month accounting period to the end of 1970, Veba is now using the calendar year as its accounting period.

Veba hopes to maintain its 1969-70 dividend of 14 per cent. (13 per cent.) after raising its capital by DM206.25m. from the present DM825m.

The new shares to be issued at around 200 per cent. of the nominal value will be well below the present stock exchange price.

The shareholders' meeting will also be deciding on the Board's proposal to authorise it to raise capital by DM206.25m. by July 31, 1976.

Reuter

CORPORATE IDENTITIES IN GERMANY

Hitting back at the Multinationals

BY GILES MERRITT

IF WALLY OLLINS had his way the giant German chemicals group BASF might well find itself trading under a new and more "internationally acceptable" name. And the formidable Deutsche Bank—Dresdner Bank—Commerzbank trio would be making an all-out effort to present a new, exciting image to attract West Germany's affluent young workers.

Commerzbank has already turned down Ollins's suggestion and will, he says, probably suffer the drop in their market share of personal accounts "which they richly deserve."

Ollins is head of a London-based business that has now set-up a Hamburg office to sell German industry on the benefits of corporate identity studies and the need for adopting Anglo-American marketing techniques.

His ideas should be attractive to German industry, and in the rest of Europe, where sometimes venerable, often mammoth, corporations are trying hard to stave off strong competition from the newer U.S.-based multinationals.

He is also negotiating with German companies facing a totally different set of problems. BMW, for instance, with its recent background of thrusting success, has outgrown its original corporate structure. Ollins is offering to help "re-unify" it as well as to give it a stronger pan-European image.

Wolff Ollins, the 20-employee partnership between Wally Ollins and Michael Wolff, is a U.K. consultancy which has handled the corporate identities of such companies as British Oxygen, Alfred Herbert, Marks and Spencer, Lyons, Burtons, Bovis, Bowyers, and Short Brothers and Harland. The step into the West German market comes largely as the result of work Wolff Ollins is doing with Unilever's soap powder and toiletries subsidiary there, Lever Sunlicht, and with Sunlicht Industrie Bedarf, the industrial detergents concern.

Ollins's first assignment outside the Unilever camp has not been an unqualified success. Its recommendations to the Oetker group's Hamburg-Süd shipping line have still not been accepted after nearly a year. Other companies within the Oetker group apparently resent the importance that a smart new red and white livery, a bold, modern logotype and the adoption of the simple name "SUD," might give the line.

Undeterred by this rebuff, Wolff Ollins is now hoping to work for Daimler-Benz's Hanomag-Henschel commercial vehicle subsidiary, as well as for a consortium of three German shipbuilding concerns in danger of going the way of Upper Clyde Shipbuilders.

Other top German corporations that Ollins is trying to interest include Nixdorf, Adrema, and even what aims to be the first truly European corporation—Agfa Gevaert.

The difficulties Wolff Ollins will face in Germany are similar to those the business has already had to contend with in the U.K. The merits of a smart new corporate identity are almost impossible to quantify; any advantages can easily be neutralised if other parts of the "total marketing mix" are inadequate; and, most important of all, a new corporate identity aimed both at the company's internal awareness of itself and at potential customers outside can only succeed if the fresh coat of paint prescribed by Ollins is accompanied by more drastic reorganisations.

This, of course, is basically Wally Ollins's selling scheme. If a major corporation has made the decision to bring its methods and organisations up-to-date, a corporate identity will act as a springboard.

So far, Ollins has little competition in West Germany. Advising industrial managements on what might be called an emotional management technique is something of a new service although one U.S.-trained German national has just set up in competition.

The point about the Wolff Ollins approach that Wally Ollins never tires of making is that there is no general message. Only particular advice to individual clients in industries that Ollins reckons to be familiar with.

But if there is a common denominator for all the concerns that Ollins is either working for, or hoping to work for, it is the challenge of multinationalism.

At a recent meeting with the chairman of Lever Sunlicht, Wally Ollins said: "A lot of other big German companies, particularly the newer ones like Hoechst and perhaps BASF, are envious of what they feel to be the relaxed, easy international management style of Unilever."

He went on to say: "Put a Unilever man in a Unilever situation anywhere and it works, one way or another. This is what Hoechst, or say BASF, feel about you as Unilever. Its what they feel about IBM, what they feel about any big international company.

"Fundamentally, they feel themselves to be nouveaux riches, they feel themselves to be provincial.

"They envy you."

IN BRIEF

Europe

● MACMOR, Spanish mining equipment manufacturing company operating with British capital participation, raised capital by Ptas. 100m. to Ptas. 175m. The capital increase has been taken by Clark Equipment and by the Banco Intercontinental Espanol.

● AKZO second quarter consolidated net profit fell to Fl.50.4m. from Fl.75.2m. in same 1970 period, on sales of Fl.2,028.7m., against Fl.1,742.9m.

● RHEINSTAHL executive Board chairman Toni Schmuecker said turnover in first half of 1971 rose 3 per cent. over same 1970 period, but incoming orders fell by 6 per cent. Cost pressures are making it increasingly difficult to maintain profit margins, Schmuecker told shareholders' meeting. But he rejected suggestion that group is operating unprofitably and should pass its dividend this year. Parent company net profit fell 28 per cent. last year to DM37.3m., and dividend was cut to 5 from 6 per cent.

● BADISCHE BANK OF KARLSRUHE said planned DM200m. State of Baden-Wuerttemberg loan will carry an 8 per cent. coupon, run for 12 years, and be issued at 98½ per cent. Subscription lists open on August 23. Badische Bank, member of issuing consortium with Wuerttembergische Bank of Stuttgart, said redemption will be in seven equal annual instalments, after five-year grace period.

North America

● MURPHY OIL CORPORATION said it would spend $25m. on modification and expansion of its refineries at Meraux, La., and Superior, Wis. When completed in late 1972, the two refineries will have the capability of eliminating the use of tetraethyl lead in its production of gasoline. As a part of the work to be done at the Meraux refinery, the capacity of that installation will be increased from the present 34,000 barrels per day to 65,000 barrels per day. The Superior refinery will continue to have a capacity of 34,000 barrels per day.

● COMMERCIAL SOLVENTS CORPORATION reported second quarter 1971 consolidated net earnings of $830,000, or 26 cents per common share, on sales of $23.87m. Consolidated net earnings for the 1970 second quarter were $663,000 or 21 cents per share, on sales of $23.42m. Consolidated net earnings for the first six months of 1971 were $1.30m., or 41 cents per common share, on sales of $45.47m., compared with first half net earnings in 1970 of $482,000, or 14 cents per share, on sales of $46.75m.

Others

● FINANCE CORPORATION OF AUSTRALIA announced net consolidated profit for the year of $A2.9m. Net outstandings were said to be $A191m., compared with $A151m. in the previous year. Final dividend of 6.25 per cent. has been declared, making 12½ per cent. for the year.

● BRAMBLES INDUSTRIES reported consolidated net profit for the year to June 30 of $A4.1m., against $A3.5m. last year. This is the eighth successive year in which profit has risen. The company is to make a one-for-eight share issue. Dividend has been maintained at 14 per cent.

PREUSSAG TO PAY REDUCED DIVIDEND

HANOVER, August 19.

PREUSSAG said results in the first half of this year were adversely affected by the unhealthy earnings position in the heavy and rare metals sector. Other sectors showed a strong rise in sales which should ease the overall earnings position, however.

Preussag group net earnings fell to DM21.7m. last year from DM26.6m. in 1969, and the company paid a reduced dividend of 7 per cent. (10 per cent.) on share capital increased to DM315m. from DM225m.

Group sales to third parties in the first half of this year rose to DM734m. from DM680m. in the same period last year, Preussag said.

Reuter

SELECTED EURODOLLAR BOND PRICES
MID-DAY INDICATIONS

	Bid	Offer
Straight		
Atlas Copco 9½pc 1985	100½	101½
ASEA 8½pc 1986	93	94
Beecham 8½pc 1986	91½	92½
Borregaard 8½pc 1986	93	94
Conoco 8pc 1986	91	92
Conoco 9½pc 1985	100½	101½
Courtaulds 9½pc 1985	99	100
Denmark 9pc 1982	100½	101½
Esso 8pc 1986	94	95
Esso 9pc 1985	101	102
General Mills 8pc 1986	90½	91½
GUS 8½pc 1986	91½	92½
Hambros 9½pc 1985	100½	101½
Hamersley 9½pc 1985	100½	101½
ICI 8½pc 1982	92½	93½
Ireland 8½pc 1989	89½	90½
ISEC 9pc 1985	99½	100½
Massey Ferguson 9pc 1983	100½	101½
Monsanto 8½pc 1985	96	97½
Mt. Bk. Finland 8½pc 1986	90	91
Occidental 9½pc 1982	95	96

	Bid	Offer
Oslo 8½pc 1986	90	91
Olivetti 9½pc 1985	101½	102½
Ontario Hydro 8½pc 1986	93	94
Philips 8pc 1976	96	97
Quebec Hydro 8½pc 1986	92½	93½
Transocean Gulf 8pc 1986	90½	91½
Notes		
Cabot 8½pc 1975	98	99
Ericsson 8½pc 1975	99½	100½
Esso 7½pc 1978	93	94
Esso 8½pc 1975	99½	100½
Gatx Oswego 8½pc 1977	95½	96½
Hawker 9pc 1975	99	100
Nippon Petr. 7½pc 1973	98	99
Oslo 9pc 1975	100	101
Transocean Gulf 8½pc 1975	98½	99½
Source: White Weld Securities.		
Convertibles		
American Can 4¾pc 1989	76	77½
American Brands 5½pc 1985	119½	121
Amoco 5½pc 1984	97	98
Beatrice 7pc 1990	117	119½

	Bid	Offer
Borden 6½pc 1991	100½	101½
Chrysler 5pc 1988	70½	71½
Continental Tele. 5½pc 1988	95	96
Eastman Kodak 4½pc 1988	97	98
Equity Funding 5½pc 1989	82	83
Firestone 5pc 1988	100½	101½
Ford 6pc 1986	105½	107
Fuji Photo Film 6½pc 1985	123	
Honeywell 5pc 1983	105	106
Kinney 6¾pc 1990	106½	107½
Komatsu 6½pc 1984	88	90
Michelin 6pc 1985	105½	107
Murphy 5pc 1989	92	93
Owens Illinois 5pc 1987	100	101
Pepsico 4½pc 1981	120	121½
Rand Selection 6½pc 1986	98½	99
Revlon 4½pc 1982	108½	110
RCA 5pc 1989	85	86
Texaco 4¾pc 1988	84½	85½
20th Cent. Fox 5pc 1987	82½	85
Union Carbide 4½pc 1982	88	89
Source: Kidder, Peabody Securities.		

COMPANY NEWS

St. Martins looks for growth

WITH the strong portfolio of investment properties and with the experience of re-letting space during the last few months, the chairman of St. Martins Property Corporation, Mr. J. E. Lloyd looks forward to a continuing increase in the amounts available for distribution in the coming years.

The present programme of development at home and in Australia now amounts to £44m. The Board is continuing to investigate new possibilities for expansion and is constantly improving and modernising the present investment properties as circumstances permit.

As reported on July 15, pre-tax profits for the year to March 31, 1971, were up from £2.19m. to £2.31m., the dividend is raised 2 per cent. to 23 per cent. and a one-for-one scrip issue is proposed.

The results reflect a continuation of progress displayed in previous years Mr. Lloyd says. For the first time rental income exceeded £5m. for the year and the value of properties exceeded £100m.

Following the usual revaluation of properties on an investment basis, the net asset value of shares at March 31 last was 300p. This figure (which would be reduced to 274p if full allowance were made for conversion of the loan stock) is a measurement indicating the degree of growth and is "certainly conservative." Apart from the asset content in the valuation of properties, there is a plus factor in £25m. of funded debt carrying coupons ranging between 3½ per cent. and 8 per cent., an insignificant part of which is repayable within the next five years.

Shareholders will be asked to approve an executive share incentive scheme which has received the approval of the Inland Revenue. It follows similar schemes adopted by other companies and the directors, other than the managing director, do not participate.

Mr. Lloyd has reached the age of 70 and special notice has been given to propose his re-election as a director. If re-elected he intends to retire from the chair and from the Board on March 31, 1972. Mr. Frank Smith, the present deputy chairman, has agreed to succeed as chairman.

Meeting, Winchester House, E.C., September 13 at noon.

Int. Stores' growth prospects

CURRENT YEAR sales of International Stores continue to improve and, despite rising costs, there is every indication that progress in terms of growth and profits will be made, says chairman, Mr. F. E. Hawkins.

As reported on July 30 group pre-tax profit for the year to May 1, 1971, was £2,782,131 (£2,806,540), and the dividend 11½ per cent. (same).

During the year 15 new self-service stores were opened and a further eight branches converted to self-service. Also the enlargement of 22 branches was completed and a number of others refitted. A total of 62 branches, mainly small, were closed some replaced by larger units in the same town.

On May 1, 1971, the group was trading in 945 retail branches of which 835 were self-service stores and supermarkets.

Mr. Hawkins reported a steady expansion into non-foods, although they still remain only a small part of total sales. During the year a further 28 off-licences were granted to bring the total to 367.

Green Shield stamps are now being progressively introduced at a pace consistent with the ability of the staff to cope with the additional work involved in the initial promotions.

The reorganisation of the traditional wholesale business, trading as Kearley and Tonge, is proceeding and improved results have been obtained. In the field of wholesale cash-and-carry an additional depot was opened at Portslade, Brighton, one is in course of construction and another should be commenced shortly.

It was hoped to have made more progress in opening cash-and-carry units but planning and other difficulties have involved unavoidable delays.

Meeting, Winchester House, E.C., October 5, noon.

R. Clay ahead in first half

WITH first-half profits up from £258,090 to £305,426, book printers and bookbinders Richard Clay and Co., is effectively stepping up its interim dividend from 3.18 per cent. to 3.5 per cent.

The first-half profit is before tax of £121,500 (£108,200). For the year 1970, pre-tax profits were £558,238 and the dividend, an equivalent 11.81 per cent.

Ladbroke on target

Preliminary figures of Ladbroke Group indicate that the forecast of the profit of £2.4m. before tax and minority interests, made at the time of the Coral bid proposals, has been achieved for the 12 months ended June 29, 1971.

After all expenses the group made an additional profit of £200,000 before tax on dealings involving the holdings in Coral, Mark Lane and Hurst Park. This is being used to improve further the trading strength.

The number of betting offices, including the Trent Bridge Cricket Ground experiment, totals 670 at present.

Mr. C. Stein, chairman, reports that the first office development project will shortly be under way at Bristol. An office block of approximately 30,000 square feet lettable area adjoining the Ladbroke hotel site will be completed in the latter part of 1972.

Ada (Halifax) warning

PHILIPS-CONTROLLED industrial holding company, Ada (Halifax), expects the interim results to June 30 "will present a disappointing picture," says chairman, Sir Henry Chisholm. Holders have already been warned that there is no prospect of an interim dividend.

Sir Henry point out that the subsidiary, Loyds Retailers, has been incurring substantial losses through lower-than-expected turnover, increased costs and heavy reorganisation expenses, but adds that the company is being given "every assistance" by Ada and Philips Industries to get it back into profit.

As known, pre-tax profit for 1970 was down to £1,127,000 from £1,520,000, and the final dividend is halved to 3 per cent., making 6 (9) per cent.

Sir Henry says recent Government reflationary measures "will, it is hoped, benefit the company in the second half." The year as a whole will still be bad, he points out, but the Board is confident the setback will be temporary, "given reasonable economic conditions and having regard to the resources made available to Ada and Loyds by Philips Industries.

"A return to the levels of profitability achieved in 1968 and 1969 will clearly take some time to achieve," he comments, "but your directors are confident that the steps already taken will result in progress in that direction."

During June 1970 Loyds Retailers concentrated its rental assets including those acquired from Ada into a wholly owned subsidiary, Loyds Rentals. The capital of Loyds Rentals was sold to Philips with effect from December 30, 1970 for a nominal consideration. Loyds Rentals would have had a deficiency of assets amounting to £5.7m., if Ada's principles of accounting as regards television rental assets had been employed, it is stated.

The auditor's report is qualified:—1—"in the absence of audited accounts of Loyds for the six months from July 1 1970 (with effect from which date Loyds became a subsidiary of the company) to December 31, 1970, we are unable to form an opinion as to the extent of the company's proportion of any profit or loss of Loyds for that period and in particular, having regard to note (3) (a) as to the need for any provision in this respect:

2—"Having regard *inter alia* to the information given in note 3 (a) we have been unable to satisfy ourselves as to the existence of profits to cover the income brought into the accounts of the company and one of its subsidiaries in 1969 and 1970 by way of dividends from Loyds and certain of its subsidiaries out of their accounts for periods of twelve or eighteen months ended June 30, 1970."

The relevant note to the Ada accounts showed that income included in group accounts in respect of Loyds has been: 1969, £519,000 by way of interim dividends from the subsidiaries sold to Loyds and £17,000 by way of interim from Loyds itself: 1970, £150,000 dividends on the Convertible Preference and "A" Ordinary for the period to June 30, 1970.

It states that the accounts of Loyds to June 30, 1970, were drawn up on an entirely different accounting basis (so far as concerns television rental assets and income) from that previously used by Ada, and consequently the results shown are not comparable with those which would have been shown had Ada's basis been employed. A number of substantial adjustments and lack of information (including audited interim accounts for the ex Ada subsidiaries at November 30, 1969) make it impossible to apportion figures with any accuracy to periods before and after acquisition by Loyds but it seems likely that (1) estimated profits to November 30, 1969, which gave rise to the interims of £519,000 were exceeded by a substantial margin by unforeseen losses of some subsidiaries sold to Loyds, for which no provision was made in last year's accounts, and (2) on the accounting basis for rentals previously used by Ada there would have been no profits in the period to June 30, 1970, to support dividends brought into account this year.

Meeting, Waldorf Hotel, W.C., September 14, noon.

هكذا من الأصل

MINING NEWS

Now the Australian tax men backslide

BY LESLIE PARKER, MINING EDITOR

AUSTRALIA'S mining credibility, already sadly shattered, reached what London hoped must be its lowest possible ebb yesterday. The final blow came not from some over-optimistic exploration company chairman but from the commissioner of taxation.

He sent a letter to the directors of the Western Mining group companies Gold Mines of Kalgoorlie and Central Norseman withdrawing the written advice he had given earlier which was quoted in these companies' statements detailed here on August 3 and which not only formed in effect almost the entire basis of their future careers but which were also assumed to be a reasonable basis for assessing the prospects for their shares.

Now the companies have to say that the contents of the letter are being studied and that a revised statement will be made as soon as possible. It is, however, added that further detailed submissions to the tax commissioner may be necessary. This means, as every taxpayer will appreciate, that "some considerable time could elapse" before any further announcement can be made.

In the meantime, shareholders are left in the limbo, having been misguided by their directors, who in this case can be regarded as blameless, which is more than can be said for many others outside this particular group. GMK shares reacted 2p to 21p yesterday.

GEEVOR FARES BADLY

One of Cornwall's two major tin producers, Geevor, announces a cut in net profits from £156,843 to £107,490 in the year to last March and the halving of the distribution with a final of 10p, making 15p, compared with 30p.

The payment absorbs £61,920 and the allocation to general reserve is stepped up from £31,600 to £40,000. The annual general meeting is scheduled for October 27. The shares were unchanged yesterday at 220p.

The market will have been prepared for the poor performance by the half-year figures in March. Even so, the full-year pre-tax surplus of £147,540 indicates a particularly bad second half in the light of the comparative first-half figure of £100,011.

FABULOSA

The London Stock Exchange has been asked temporarily to suspend dealings in the shares of the Bolivian tin producer Fabulosa owing to the tense situation in that country and the resulting uncertainty as to the future of the mining industry there. It is hoped to make a further statement in September. Dealings were consequently halted as from 2.30 p.m. yesterday when the share price was 4½p.

BIDS AND DEALS

Barclays international bank plans

The name of Barclays Bank DCO is to be changed to Barclays Bank International following the proposed acquisition of the DCO minority interest by the parent, Barclays Bank. Explaining the reasons for the full merger, Sir Frederic Seebohm, chairman of DCO, tells shareholders that it is needed to avoid possible conflicts of interest between the two banks.

Moreover, he adds, "it is now essential to rationalise the foreign and international business of the group so that growth may be maintained, resources conserved and profitability increased." If the merger goes through, it is planned to concentrate all the foreign and international business of the Barclays group under one operational company.

The merger is to be carried out through a scheme of arrangement, details of which have now been sent to shareholders. As announced, terms are eight Barclays Ordinary plus £9 of 8¼ per cent. unsecured loan stock for every DCO shares. With Barclays at ...p and the loan at 90 per cent., this values DCO shares at 563p ...ch against yesterday's market level of 549p. At this rate, the value of the 43.5 per cent. interest in DCO which Barclays is offering to acquire is some £98m.

Discussing DCO's future, it is stated that it is intended to continue the process of transferring business in various countries to locally incorporated banks which are either wholly-owned subsidiaries or companies in which the national government or local citizens have a financial interest. Such action is to be taken shortly in Jamaica, Trinidad, Kenya and South Africa, while in Israel it is proposed to merge DCO's business with an existing Israeli bank.

Extraordinary meetings of DCO have been called for September 20 and October 5, and a "Court meeting" of holders of DCO stock other than Barclays for October 5 to approve the scheme.

CAVENHAM WINS BOVRIL BATTLE

Cavenham has finally achieved outright victory in its fight for Bovril and with over 50 per cent. of the equity has declared its offer unconditional. In the face of this, Rowntree Mackintosh has allowed its lower, but recommended, offer to lapse.

Cavenham said yesterday that with acceptances received, and following the purchase of a further 25,000 shares in the market at 464p a share, over 1.53m. Bovril shares were now owned. An extraordinary meeting has been called for September 2 to approve a necessary increase in the authorised capital and in the meantime the offer remains open. The cash offer will not be extended beyond the closing date of August 31.

In a statement last night, Rowntree's advisers, Hill Samuel, said it had not yet been decided what would be done with Rowntree's 9 per cent. holding in Bovril. The Bovril Board had also yet to decide on what to do with its 8 per cent. of the shares.

AVIMO SALES TO FAIREY

Avimo, the optical, electronic and engineering group, is to sell off two of its subsidiaries to the Fairey Group before United Scientific Holdings completes the acquisition of the near 45 per cent. minority interest in Avimo not already owned.

The subsidiaries concerned are Avimo Telecommunications and Mayflower Automotive Products, makers respectively of electronic equipment and vehicle winches. Fairey will pay £207,000, which is roughly equal to the assets of the two companies. A further, dormant, subsidiary of Avimo is also included in the deal.

Documents in respect of USH's offer for the Avimo minority are expected to be sent out to shareholders to-day.

BERISFORD-CAPITAL WINE

S. and W. Berisford is to merge the wine and spirit activities of its subsidiary, Joseph Travers and Sons, with Capital Wine Agencies. The new company will be called Capital Wine and Travers with an issued capital of 200,000 £1 Ordinary shares of which Berisford will be allotted 100,000 at par, the consideration being property, plant, machinery and cash.

CLIFFORD BROWN

The offer by Dolland and Aitchison Group for Clifford Brown has now been accepted by holders of over 92 per cent. of the Ordinary. D and A intends, in due course, to acquire the outstanding shares compulsorily. The offer remains open.

OFFER FOR BEAU SEJOUR LAPSED

The offer by BSO Securities for Beau Sejour Rubber has lapsed. It was accepted in respect of 886,680 Ordinary (88.6 per cent.) and 68,600 Preference (99.4 per cent.)—one of the conditions was 90 per cent. acceptance of the Ordinary offer.

J. C. BAKER

J. C. Baker Holdings announces that negotiations are in progress that could lead to the acquisition of the capital of Stait Developments. Further details will be announced in due course but in the meantime the directors have requested the Council of the Midlands and Western Stock Exchange to suspend the quotation for the Ordinary shares and loan stock as from yesterday's close.

SEAFIELD-SUNGEI RINCHING

Seafield Amalgamated Rubber announces that acceptances of its offer have now been received in respect of 1,165,110 shares of Sungei Rinching Rubber (90.4 per cent. of the shares subject to the offer). Prior to the offer Seafield already owned 210,800 shares and it now holds 91.7 per cent. In due course the outstanding shares will be acquired compulsorily.

The position with regard to the issued capital of Seafield is:—shares in issue prior to the Rinching offer 25,128,497; allotted under the offer 872,455; present capital 26,000,952; to be issued re-Rinching in due course 124,090; eventual share capital 26,125,042.

SWS (S. AFRICA) EXPANSION

Slater Walker Securities (South Africa) is to make an offer for the half share in L. Suzman not already owned. The deal will be partly underwritten, valuing each Suzman share at nearly R6¾ (£3.8).

In a statement yesterday, the SWS (SA) directors and Suzman said the present period in South Africa was unsatisfactory for substantial property development or investment. They therefore felt the Suzman assets which it was contemplated would form the nucleus of a property development programme could best be utilised if integrated with other assets of SWS (SA).

Terms are 45 shares in SWS (SA)—with a cash alternative of R95 (£55½) for 15 of such shares—for every 100 Ordinary of Suzman. The Suzman directors recommend the offer and holders of 860,000 of the outstanding shares (around 68 per cent. of those to be acquired) have signified they intend accepting.

ASSOCIATES DEALS

On August 18 S. G. Warburg purchased for associates of Grand Metropolitan 20,000 Truman Hanbury at an average of 456p.

Panmure Gordon purchased for associates of Grand Metropolitan 5,000 Truman Hanbury at an average of 456p.

Strauss Turnbull state that Guinness Mahon bought 40,000 Truman at an average of 459p.

On behalf of Sterling Guarantee Panmure Gordon bought 120,000 Wharf Holdings at an average of 228.375p. On August 19 they bought 1,500 at 228½p.

Rowe Swann for Bristol Street Group, bought 43,000 Bluemel at 84p.

Guinness Mahon purchased 19,166 Truman on behalf of Watney Mann at an average of 457.7p.

Cazenove bought for associates of Watney Mann 50,000 IDV at 70p; 62,130 Truman at an average of 458.77p and 87,500 Watney Mann at an average of 122.36p.

BPC SALE

British Printing Corporation has sold its interest in Kentish Express (Igglesden and Co.) to the Kent Messenger. Sale is on a going concern basis for £222,500, all of which has been received upon completion.

WIGGINS TEAPE ACQUISITION

The Wiggins Teape subsidiary, Wiggins Teape (Belgium) has acquired a majority interest in the French company, Papeteries de Montevrain.

A. & S. HENRY

The Board of A. and S. Henry and Co. has received details of the proposed offer by United Drapery Stores and say the are consulting with financial advisers, Singer and Friedlander. A further statement will be issued as early as possible and meantime holders are advised to take no action in relation to this offer pending further information.

BOAC will be 'hard put to make a profit'

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

Mr. Keith Granville, chairman of BOAC, commenting on the company's financial affairs, said that the airline was still facing a very difficult situation, which unless it could be improved—"and you can take it from me we shall do everything possible"—would mean the airline would be "hard put to make a profit at the end of the current financial year.

After last year's sharp fall in profits, the airline's revenue was some £3m. below expectations in the first 16 weeks of the current financial year.

"Additionally, the announcement (of economic measures) earlier this week by the President of the U.S. will adversely affect BOAC's profitability this year.

"The full implications of this cannot be measured until the consequential actions by other major trading nations are fully known. It is no wonder that at this moment the industry is taking a searching look at itself and challenging some of the fundamental concepts of airline economics."

Whilst BOAC had fared better than most of its competitors, "the current situation and indeed our future prospects are not as happy as I would like."

The 1970-1 profit of £3.4m. was disappointing for an airline that had made more than £107m. in profits since 1964, although it had to be seen in the context of the financial state of U.S. airlines, who reported losses last year of £46.7m.

The reasons for the decline in profits last year included a shortfall in passenger and cargo revenues of £8m.; loss of £2m. in mail revenue as a result of the postal strike; hijacking, the financial consequences of which BOAC puts at £3m.; and industrial action, both taken and threatened, which cut the operating surplus by more than £3.5m.

In order to try to correct the situation in the current financial year, BOAC had introduced its Profit Improvement Programme, designed to cut costs by £10m., and this target had been achieved.

"But we know that this isn't going to make us profitable unless our total revenue gets back on target. At the present time the revenue increases in some parts of the world resulting from the PIP are more than offset by deficiencies elsewhere."

[A spokesman for the Department of Trade and Industry said: "The question of compensation does not arise." Air service licences are not regarded as assets.]

The accounts for 1970-71 show that BOAC has transferred to profit and loss account £8.7m. (from development reserves, unused tax provisions, and discounts from early repayment of Government advances) to raise the total for distribution to £12m.

From this BOAC will pay the Government a dividend on its Public Dividend Capital of £4.9m., representing a return of 7½ per cent. This compares with a dividend of £13m. (20 per cent.) in 1969-70.

No State facilities for Labour's Market case

LABOUR PARTY hopes of similar facilities to the Government for publishing their case on Common Market entry were turned down yesterday.

It was also pointed out that the facilities of the Central Office of Information and the Post Office were not being made available to the Conservative Party.

A written reply to Mr. Gwyn Morgan, deputy general secretary of the Labour Party, from a civil servant on the Prime Minister's staff said:

"The Government is fully entitled to publish and distribute its own material on important governmental policy decisions.

"It would be quite inappropriate for a governmental institution, such as the Central Office of Information, to undertake the responsibility for publication and distribution in this country of non-governmental material, whether on behalf of political parties or other organisations."

The Downing Street letter said the Government had thought it right to make available as widely as possible a short version of the White Paper—the free, Britain and Europe pamphlet—because of the need for the widest possible discussion and understanding of what was involved.

APPOINTMENTS

Sir Ronald Fairfield joins Royal Worcester

Sir Ronald Fairfield has been appointed a director of ROYAL WORCESTER. He is deputy chairman of British Insulated Callender's Cables having relinquished the managing directorship of that company on January 1 this year.

Sir Ronald is a member of NEDC for the Electrical Engineering Industry.

*

Mr. Michael Hoysted and Mr. Jeffrey V. Wilkinson have been appointed directors and vice-presidents of SIMON-GREENWOOD INC., a subsidiary of Henry Simon, Stockport. Mr. John M. Mellor continues as a director and vice-president. Henry Simon is a Simon Engineering company.

*

Following the formation of the two subsidiary companies, Lintafoam (Loudwater) and Lintafoam (Manchester), the Board of the parent company, LINTAFOAM has been reconstituted and will also be the executive Board of the rubber manufacturing and textiles division of the Guthrie Corporation Group.

The board members are: Mr. J. C. Ratcliff, chairman and managing director and divisional chief executive; Mr. S. B. Cant, divisional technical director and technical director of Guthrie Industries; Mr. H. M. Clover, managing director of W. Armes and Son; Mr. A. W. Easter, divisional marketing director; Mr. M. B. Jenkins, divisional financial director; Mr. A. R. Langan, managing director of Ratcliffe Brothers and of Victoria; Mr. J. W. Plaster, managing director of Lintafoam (Loudwater); Mr. W. P. Ward, divisional personnel director; Mr. A. J. Welford, divisional export sales director; and Mr. S. White, managing director of Lintafoam (Manchester).

*

Mr. A. E. Andrew has been appointed managing director of HICK HARGREAVES & CO. He was previously director and general manager. He has also joined the Board of Foster Yates and Thom. Both companies are members of the Electrical and Industrial Securities group.

*

Mr. Geoffrey Pitt, formerly commercial and sales director of the Cunard Line, has joined OVERSEAS NATIONAL AIRWAYS of the U.S. as regional vice-president, marketing and sales, for the U.K. and Ireland.

*

Mr. T. H. Telford has been appointed chairman of CHARLES HOWSON AND CO., a member of the Cunard group.

*

Mr. Henry Klonarides has been appointed a director of LEWIS AND PEAT (MERCHANTING), the merchanting division of the Lewis and Peat group and of Biddle Sawyer and Co. and Lewis and Peat (Overseas). Mr. Klonarides takes over responsibility for the export finance and international barter operations.

*

Mr. C. P. Choularton has been appointed to the Board of the HEMDALE GROUP.

*

Mr. Roy Smith has been appointed to the Board of the BRITISH PRINTING CORPORATION. He remains managing director of Sun Printers and succeeds Mr. L. G. White as chairman of that company and Hazells Offset.

Mr. White, who is also a vice-chairman of BPC, has retired from his executive functions but remains a member of the BPC Board.

*

Mr. J. B. M. Graham has been appointed to the Board of RUBEROID and continues as managing director of Vulcanite.

*

Mr. E. J. Gibson is to become deputy general manager of the ECCLESIASTICAL INSURANCE OFFICE on October 1. Mr. B. B. Stonebridge retires from that position at the end of September but will remain on the Board with certain executive responsibilities.

Mr. J. J. Hayes, fire and accident manager, retires with effect from August 31.

Other appointments from October 1 are Mr. R. D. L. Jarvis to be assistant general manager and secretary; Mr. H. D. Richardson, assistant general manager (remaining chief surveyor), Mr. D. W. Stapleton, Mr. J. D. McArdell, and Mr. D. M. Webber (actuary) to be assistant managers.

Mr. M. Lucas will become assistant secretary; Mr. D. Ezra, finance secretary, and Mr. K. G. Cook, investment secretary.

*

Mr. R. W. Nickalls, formerly financial director, has become managing director of TASK DEVELOPMENTS and Mr. C. G. Lovelock has joined the Board. Mr. D. J. Watson and Mr. L. A. Hills have been made directors of Task Construction and Mr. T. W. Smith has been appointed to the Board of Task Building Services. The companies are members of the Rush and Tompkins group.

*

Mr. D. J. Pepper, director—personnel of ROLLS-ROYCE (1971), has been appointed director—customer relations. He will be responsible for marketing and product support.

*

Mr. John McMillan, an assistant area manager at NATIONAL WESTMINSTER BANK'S city area office, has been appointed joint manager of the St. Mary Axe branch in the City. He will become sole manager on the retirement of Mr. K. F. Foord next February.

*

Mr. Paul Thompson has been appointed a director of TEAM (MANAGEMENT CONSULTANTS) and becomes a director of the other companies within the group.

*

STOCK EXCHANGE PARTNERSHIPS

Mr. Robert M. Fleming has resigned his partnership in CAMPBELL NEILL AND CO., and his membership of the Glasgow and the Scottish Stock Exchange Associations.

*

Mr. David Say has been appointed financial director of INTERNATIONAL PRINTERS and joins the Board.

*

Colonel Sir Tufton Beamish, Conservative MP for Lewes, has been appointed a director of C. T. BOWRING (UNDERWRITING AGENCIES).

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The kind of man who can find a commercial or industrial site, assess it, negotiate the deal, and then supervise the whole development scheme.

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And you'll have to move very fast to keep up with us.

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40,000 sq. ft. of offices

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PRICE £425,000
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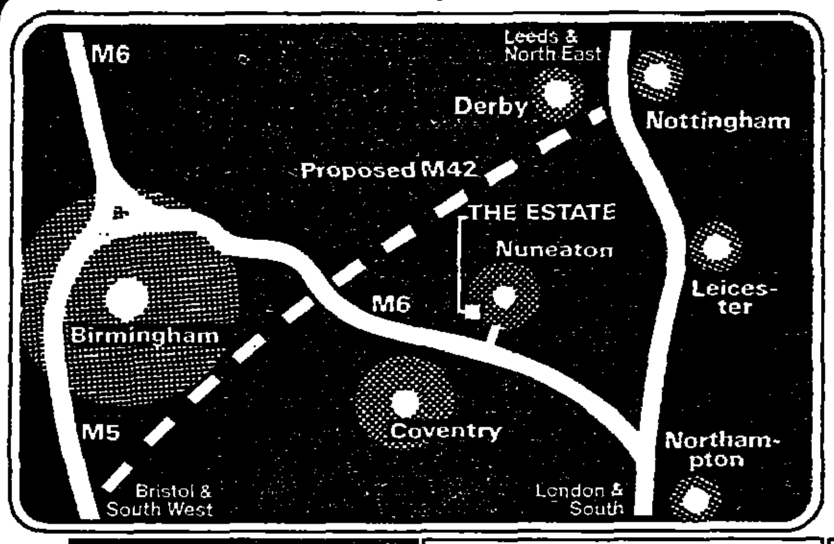

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- Warehouse/Factory units to be erected to tenants requirements on 8 acre (3.24 hectare) site from 5,000 square feet (465 m²)
- Within 3 miles (5 kilometres) of M6 (Midland Link Motorway)
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- Low Rentals.

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SLOUGH	Factory 18,000 sq. ft.	TO LET
DARTFORD	Factory 19,600 sq. ft.	TO LET
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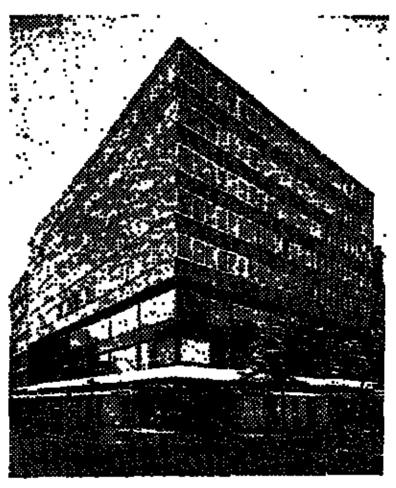

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Prestige
Office
Development
45,000 sq ft (4180 sq m)
To Be Let

Sole Agents

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adjoining SR stn. 28,500 sq.ft. approx, Office, Whse and Factory prems; To Be Let as a whole or avlble in units:

1. New Office blk (cent.htg.) 6650 sq.ft. approx
2. Offices, Whse & Light Indust. unit 10,600 sq.ft. approx
3. Light Indust. unit, 4150 sq.ft. approx
4. Whse with mezzanine floor, 7100 sq.ft. approx. Ample parking on prems., petrol pump, 3 garages. Write Box T.1403, Financial Times, 10, Cannon Street, EC4P 4BY.

Storey Sons and Parker
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INDUSTRIAL PREMISES
SOUTH SHIELDS, CO. DURHAM

★ SINGLE STOREY
★ EXCELLENT ACCESS TO A.1.(M)

TOTAL AREA 80,000 SQ. FT. (7.432m²)
TOTAL SITE APPROX 7.8 ACRES (3.2ha)
FREEHOLD FOR SALE

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By order of F. B. M. Wawn Esq., F.C.A. Liquidator of Holdworth & Gibb Limited (Voluntary Liquidation)

for sale

INDUSTRIAL PREMISES

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SWINTON MANCHESTER

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IN
CITY OF LONDON

WITHIN EASY ACCESS OF MAJOR FINANCIAL INSTITUTIONS

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SINGLE STOREY WAREHOUSE

24,500 sq. ft. on ¾ Acre

Cool Room • Offices • Yard

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(WILL DIVIDE)

CENTRAL HEATING, GOOD YARD
CLOSE TO MAJOR TRUNK ROAD

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Both with lift and central heating

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London S.E.1.
Modern Building
4538 sq. ft. First Floor

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Mark Lane, E.C.3.
Office Accommodation
2857 sq. ft. Ground Floor
2390 sq. ft. First Floor
821 sq. ft. Third Floor

City Gate House
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Office Accommodation
1876 sq. ft. Lower Ground Floor

Bucklersbury House
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Prestige Building
4465 sq. ft. Eleventh Floor

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1632 sq. ft. Third Floor
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45 sq. ft. Sub Basement

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Total 6918 sq. ft.

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3.950 sq. ft.
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comprising
6-roomed Office Block (originally a private house). Covered Loading Bay 6,726 sq. ft. of Storage. Staff Mess Room and Store about 775 sq. ft. 3 Garages or Stores about 660 sq. ft.
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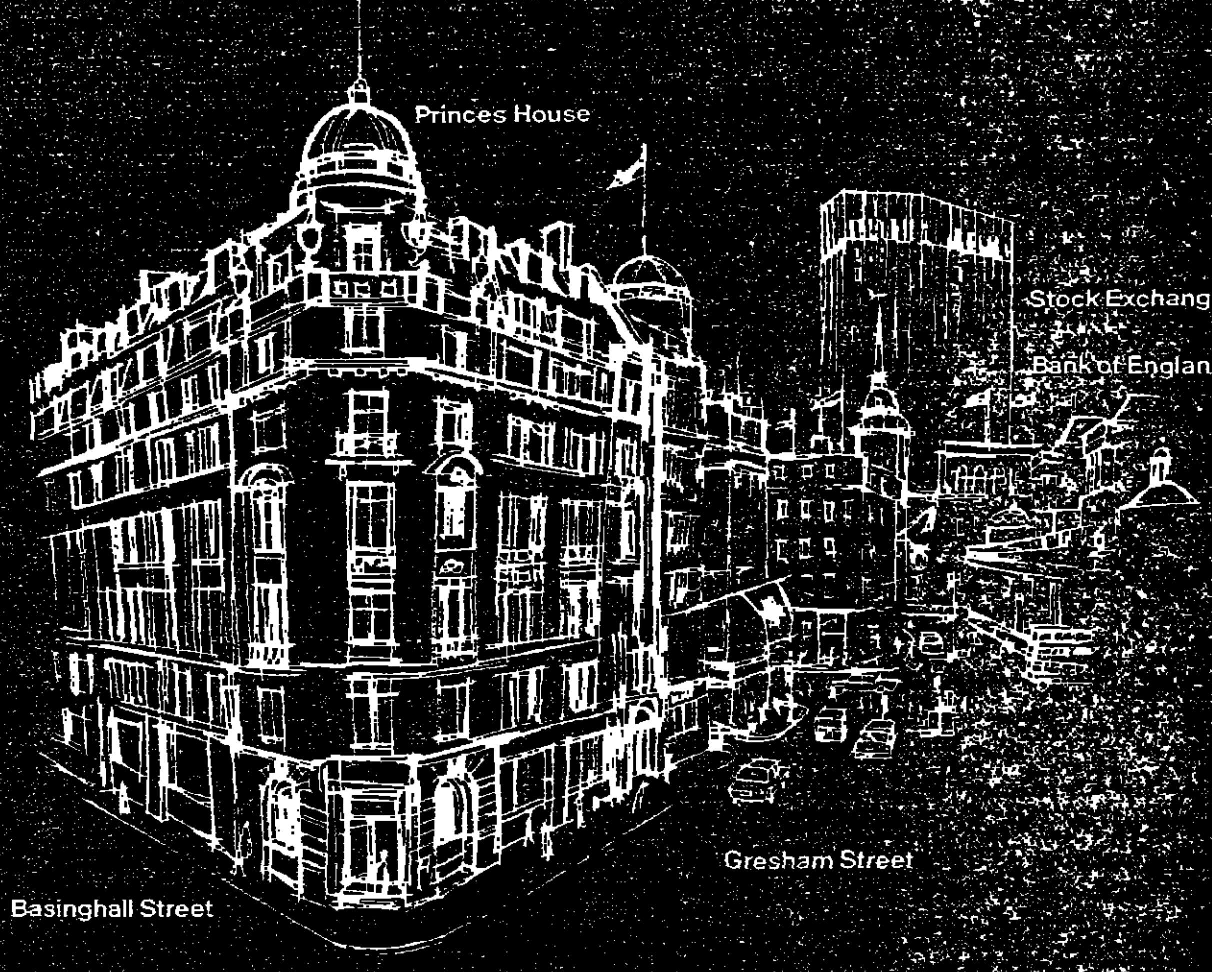

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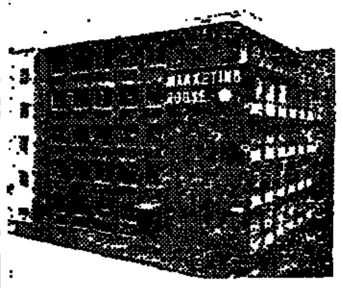

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Excellent position
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Entire premises is let to
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new lease at moderate rental
Per £2,250 annum
PRICE £29,500

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Another 200,000 sq. ft. being built
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Built to tenants requirements
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WALL STREET + OVERSEAS MARKETS

Market gives further slight ground

BY OUR WALL STREET CORRESPONDENT

NEW YORK, August 19.

FURTHER MODEST LOSSES were recorded on Wall Street to-day, in a session marked by hesitancy and a continuation of yesterday's profit taking.

After opening 5.77 down at 880.40, the Dow Jones Industrial Average partially recovered to 883.32, off 2.85, before closing at 880.77, for a net loss of 5.40. The Transportation Index, however, advanced 3.51 to 230.53 but the NYSE All Common Index shed another 23 cents to $54.28.

Trading was at a more normal pace of 14.19m. shares, compared with 20.68m. yesterday.

Analysts said the mood of optimism over the Administration's new economic policies remained but there were more sober and realistic appraisals, especially in view of organised labour's criticism of the Wage-Price Freeze termd by AFL-CIO President George Meany "as Madison Avenue gimmickry."

After the close the NYSE said short interest in the month endew August 13 totalled 16,130,930 shares, a decrease of 1,029,137 shares from the July 15 total of 17,160,067 shares.

Among Motors American Motors, again the most active issue, slipped $⅜ to $8⅝. Chrysler eased $¼ to $30⅝. General Motors closed unchanged at $83⅛, while Ford dipped $¼ to $67½.

Blue Chip losers included Allied Chemical, down $1⅛ to $31⅜, and Dupont, off $146¾. Union Carbide rose $1 to $44⅜.

The American Stock Exchange said its member firms reported a short interest of 4,009,457 shares as of August 13, a decrease of 265,985 from the 4,275,442 shares (revised) in mid-July. A year ago the short interest was 5,663,075 shares.

Canada eases

Prices closed lower in light trading on Canadian markets. Industrials were down 0.84 on index. Golds up 2.78, Base Metals up 0.58 and Western Oils off 0.25. Supertest Ordinary was off $2¼ at $54¼, International Utilities $1 at $42¼ and Canadian Tire $1 at $34¼. Domes Mines gained $3 to $71, Bethlehem Copper $2¼ to $17¼.

OTHER MARKETS

GERMANY — Slightly firmer after a steady opening in fairly active trading, despite some caution over the Brussels Finance Ministers meeting.

Badische Anilin led gains in Chemicals, and Siemens and major AEG each advanced in electricals. Deutschebank and Dresdenerbank led generally firmer Banks.

In Motors and Engineering, Audi/NSU and Volkswagen each rose, but BMW and Demag declined. Metallgesellschaft eased sharply.

Bonds were generally firmer.

PARIS—Losses predominated in both French and Foreign equities in hesitant trading, U.S. operators awaited the outcome of the Common Market Ministerial meeting in Brussels.

Rhone Poulence and Roussel-Uclaf each declined in Chemicals, as did Pinay in Bonds, Thomson-CSF in Electricals, Cie Francaise de Raffinage and Lille Bonnieres in Oils.

Galeries Lafayette, Moulinex, Esso, Citroen and Raffineries Saint Louis were steadier, however.

Dollar stocks lost most of Wednesday's gains and Germans also fell back. Philips resisted in otherwise weak Dutch issues but International Oils, Norsk Hydro and Coppers eased. West Driefontein were steady in otherwise lower Golds.

BRUSSELS—Mixed in thin trading. Ste Generale and Union Miniere each made small gains while Sidro was firm. Petrofina rose Frs.15.

Gevaert, Solvay and Cockerill each eased. Ford (Belgium) and American Petrofina were each lower.

Golds, German and French stocks were stable.

AMSTERDAM — Internationals continued their downtrend. Led by Unilever and Royal Dutch. Philips were firm.

Most plantations and shippings fell, as did local industrials over a broad front. But Oce-Van der Grinten rallied Fl.2.5.

Banks moved down, led by Algemene Bank which dropped Fl.6. Investment Funds showed sharp setbacks. A decline in insurances was led by Nationale Nederlanden.

State Loans were quietly mixed.

SWITZERLAND—Markets continued their retreat in moderately active trading, but losses were generally limited. Some more prominent losers included Juvena-Holdings in Financials and Bearer suares of CIBA/Geigy, Nestle and Alusuisse in Industrials.

Leading Banks weakened up to Frs.50, led by Kreditanstalt.

State Bonds closed very steady in quiet trading.

Foreign issues were generally weaker. In Dollar stocks, IBM and Chrysler each declined. Dutch and German shares closed lower.

OSLO—Shippings and Industrials were firmer, while Bankings were quiet and Insurance well maintained.

VIENNA—The market adopted a waiting attitude.

COPENHAGEN — Steady in moderate trading, with Banks again slightly firmer.

AUSTRALIA — Further weakness, with markets still dominated by the uncertainties of the international monetary situation.

Queensland Mines more than halved its price following its reinstatement, toppling $5.60 to $5.40 with sales ranging from $5 to $5.70. Kathleen Investments, which holds 50 per cent. of the shares in Queensland Mines, dropped $2.20 to $3.90.

Among other "heavyweights," Hamersley were 12 cents down at $3 offered, Peko Wallsend lost 8 cents to $8.12, W.M.C. gave way 12 cents to $3.11 and New B.H. lost 20 cents to $9.30.

Spargos fell 10 cents to $1, Poseidon came back 80 cents to $20.20 and Panacontinental were off 10 cents at $1.05.

Among the few gains, Audimco rose 5 cents to $1.90, Robe River recovered 3 cents to 95 cents, as did Meekatharra to 97 cents.

Oils weakened after a relatively firm, but quiet opening. Santos eased 5 cents to $3.60 and N.S.W. Oil and Gas at 34 cents and International at 30 cents each shed 2 cents. Mid East firmed 2 cents to 90 cents.

B.H.P. were lowered 30 cents to $12.47 and Thiess lost 5 cents to $2.85. Hungerford Hill regained 5 cents to $2.20.

JOHANNESBURG—Gold shares displayed an easier tendency in late trading, reflecting London selling and lack of local support. Financial Minings also drifted lower and Platinums retreated.

Industrials were neglected.

TOKYO—Prices continued to fall on heavy selling. Volume 340m. (350m.) shares. As buying interest was extremely limited in view of reports that floating or revaluation of the Yen might be impending, some shares plummeted, while many others remained unquoted.

But the market calmed at the lower levels, following consultation and a statement from the Finance Ministry that the market would not be closed.

Sony declined Yen 55 to Yen 2,450, but Matsushita recovered Yen 48 to Yen 414 apparently on buying by leading securities firms.

Heiwa Real Estate were down Yen 38 to Yen 251, after Yen 245.

Wakachiku Construction lost Yen 60, to Yen 340, while Okumuragumi had seller's quotation at Yen 590 against Yen 690.

Showa Oil dropped Yen 38 to Yen 282 and Mitsubishi Oil declined Yen 24 to Yen 140.

Indices

NEW YORK

DOW JONES AVERAGES

Close	Home Bonds	Transport ‡	Indus. *	Util. Φ	Trading volume† 000's
Aug. 19	70.42	230.53	880.77	113.53	14,190
18	70.35	227.02	886.17	113.69	20,680
17	70.35	226.52	899.90	114.42	26,790
16	70.02	225.22	882.96	115.16	31,730
13	69.92	214.25	856.02	113.02	9,960
12	69.96	213.87	859.01	113.15	16,910
11	69.86	209.26	846.38	112.38	11,370
10	69.97	206.05	839.59	112.16	9,460
1971 High	71.56 (6/4)	232.79 (28/4)	950.82 (28/4)	128.38 (19/1)	—
Low	68.62 (4/1)	169.70 (4/1)	830.57 (4/1)	111.83 (9/8)	—

* All-time high 995.15 (9/2/66)
‡ All-time high 279.88 (7/2/69)
Φ All-time high 163.32 (20/4/65)
† Excluding bonds.

IND DIVIDEND YIELD p.c.

Aug. 13	Aug. 6	Aug. 5 1970
3.74	3.75	4.40

N.Y. SE ALL COMMON INDEX

Dec. 31, 1965=50.

1971 High	1971 Low	Thurs.	Wed.	Tues.	Mon.	Fri.
57.76 (28/4)	49.73 (4/1)	54.28	54.55	55.27	54.67	52.88

RISES AND FALLS

Issues traded	Up	Down	Unchanged
1,663	477	901	285

1970/71	Thurs.	Wed.	Tues.	Mon.	Fri.
New Highs	27	59	76	81	11
" Lows	58	55	29	17	45

AMERICAN SE ALL STOCKS AVERAGE

1971 High	1971 Low	Thurs.	Wed.	Tues.	Mon.	Fri.
26.89 (28/4)	22.72 (4/1)	25.10	25.17	25.29	25.15	24.59
Volume (000's)		3,180	4,660	6,490	8,620	2,250

STANDARD AND POORS U.S. STOCK INDICES

	*Industrials	†Composite
Aug. 19	108.31	98.16
" 18	108.84	98.60
" 17	110.45	99.99
" 16	108.92	98.78
" 13	105.46	95.69
" 12	105.83	96.00
" 11	104.29	94.66
1971 High	115.54 (28/4)	104.77 (28/4)
1971 Low	99.73 (4/1)	91.15 (4/1)

* 425 Industrials. † 425 Industrials, 50 Utilities and 25 Rails. (1941=10.)

STOCK AND BOND YIELDS

	Aug. 18	Aug. 11	Aug. 19 1970
Industrial div. yield pc	2.91	3.04	3.38
Price-earning ratio	18.34	17.57	15.30
Long-term Govt. Bds. yield pc	5.91	6.21	7.09

MOST ACTIVE STOCKS

	Shares traded	Closing price	Change on day
American Motors	225,500	8⅝	−⅜
Chrysler	204,100	30⅝	−¼
Amerada Hess	200,300	54⅛	−2⅜
Louisiana Land	168,400	47	−2¼
Texaco	167,300	31⅝	−⅝
Sou. Cal. Ed.	159,600	30⅛	+⅛
General Electric	136,100	60⅞	—
General Motors	122,900	83⅛	—
Textron	121,300	30⅝	+⅛
Comput. Softw.	119,000	28⅜	+⅝

TORONTO

INDUSTRIAL INDEX

Closed August 2

Aug. 19	Aug. 18	High 1971	Low 1971
173.58	174.42	188.74 (2/1)	173.58 (19/8)

MONTREAL

INDUSTRIAL INDEX

Aug. 19	Aug. 18	High 1971	Low 1971
180.56	181.84	189.89 (20/4)	176.50 (4/1)

COMBINED INDEX

Aug. 19	Aug. 18	High 1971	Low 1971
173.26	175.67	185.02 (20/4)	172.85 (22/2)

JOHANNESBURG

	Aug. 19	Aug. 18	High	Low
Industrials†	196.0	196.7	212.4 (9/6)	165.8 (3/1)
Golds†	78.9	79.5	89.3 (19/4)	73.7 (15/7)

(1968=100.) Source: Rand Daily Mail.

AUSTRALIA

MELBOURNE YIELD INDICES

Av'ge yield on 50 Leading Stocks	Aug. 19	Aug. 12	Aug. 5
On Dividends	5.77	5.64	5.63
On Earnings	9.77	9.62	9.65

SYDNEY ALL ORD. INDEX

Aug. 19	Aug. 18	High 1971	Low 1971
460.89	464.15	518.51 (4/1)	460.89 (19/8)

TOKYO

NEW SE INDEX

Base=100 January 4, 1968.

Aug. 19	+ or —	Div. %	Yield %
172.65	—9.43	11.90	3.57

1971	High	Low
	209.19 (13/8)	148.83 (5/1)

EUROPE

	Aug. 19	Previous	1971 High	1971 Low
Belg'm (m)	102.86	102.89	106.74 (30/7)	92.18 (6/1)
France (bb)	76.6	77.6	79.2 (22/7)	74.9 (6/1)
Germany*	113.40	105.04	112.71 (23/2)	94.96 (6/1)
Holland (o)	117.3	118.2	128.0 (8/4)	112.6 (6/1)
Italy‡	(c)	60.36	60.09 (6/3)	48.94 (12/7)
Sweden (p)	272.94	272.67	292.71 (25/6)	245.71 (6/1)
Switz'rl'd**	391.6	395.2	412.9 (10/9)	363.3 (4/1)

* Herstatt Index. ‡ Base amended to January 2, 1962, from December, 1958. **Swiss Bank Corporation Index base 100 December, 1958. (b) Basis 100 December 29, 1967. (c) Closed. (m) Base date amended from 1953 to 1963. (o) Adjusted now quoted on basis 1963=100 and no longer 1953=100. (p) Base date December 29, 1956. (bb) New index introduced by Paris Bourse Committee basis 1961=100.

BURMAH RESEARCH UNIT TO MOVE

Burmah-Castrol's research and development organisation at Bracknell, Berks, is to move to Ellesmere Port, Cheshire, by next August. Production oils research and development will stay at Hyde, Cheshire.

The Burmah group will not be leaving Bracknell. The laboratories, first opened there in 1964, will be occupied by another unit already at Bracknell which also has extensive research and development interests.

MORE TRAINEES IN GAS

During the year ended March 31, the number of grant-aided sales trainees doubled, the number of management trainees nearly doubled, and the total of grant-aided trainees increased by over 40 per cent., the Gas Industry Training Board states in its annual report, published yesterday.

The number of grant-aided women trainees went up by as much as 70 per cent.

MONEY + EXCHANGES

Continued credit shortage

Bank Rate 6% (April 1, 1971)

Credit was again in short supply in the Discount market yesterday, and the authorities gave a very large amount of assistance, by buying Treasury bills A shortage was carried over by the banks from the previous day, and revenue transfers to the Exchequer exceeded Government disbursements, while there was a net Treasury bill take-up to finance.

A rate of 5⅞-5¾ per cent. was paid for day-to-day loans to start with, but a firmer tendency came in, and 5¾-5½ per cent. was said to be reached. Late balances were taken generally at levels no lower than 5½-5¼ per cent.

In the inter-bank market, overnight loans opened at about 5¼-6 per cent., but trended upward touching 6-6½ per cent. at one point in the afternoon, and ending at 5¾-6¼ per cent. or so. Short term fixed period rates in the various markets tended to strengthen.

Aug. 13	Sterling certificates of deposit	Inter-bank	Local Authority deposits*	Local Auth. negotiable bonds	Finance house deposits	Inter-company loans	Discount market deposits	Treasury bills♦	Bank bills♦	Fine trade bills♦
Overnight	—	5¼-6¼	5⅝-6	—	—	6-6½	4-5⅞	—	—	—
2-days notice	—	—	5¼-5⅝	—	—	6⅛-6½	—	—	—	—
†7-days or 7-days notice	—	5½-5¾	5½-5¾	—	—	6⅛-6½	4¼-5¾	—	—	—
One-month	[illegible]	5½-5⅞	5½-5¾	5.75-5.50	5⅞	6¼-6½	—	—	—	—
Two-months	[illegible]	[illegible]-6	5½-5⅞	5.80-5.50	5⅞-6	6½-6¾	—	[illegible]	5⅞-6	—
Three-months	[illegible]	6⅛-5⅞	5¾-6	6.00-5.75	5⅞-6	6½-7	—	[illegible]	5⅞-6	6¼-7⅛
Six-months	6⅛-6	6-[illegible]	6-6⅛	6.25-6.00	6¼-6⅝	6¾-7½	—	—	[illegible]	6¼-7¼
Nine-months	[illegible]	[illegible]-6⅝	6⅛-6⅝	6.35-6.25	6¾	7-7¾	—	—	—	—
One-year	6¼-6⅝	[illegible]-6⅝	6¾-6⅞	6.40-6.30	7	7-8	—	—	—	—
Two-years	7⅛-7	—	7⅛-7½	7.15-7.00	—	—	—	—	—	—

† Local authorities seven-days' notice, others seven-days' fixed. * Longer-term mortgage rates: three-years 7¼-7½ per cent., four-years 7½-8 per cent., and five years 8-8½ per cent. ♦ Rates given are for buying. Selling rates for Treasury bills 5 41-64th per cent. for two-months and [illegible] per cent. for three months: selling rates for bank bills and for trade bills unavailable. Finance House Base Rate (published by the Finance Houses Association) 6½ per cent. from August 2.

EXCHANGES AND BULLION

The London foreign exchange market was closed for the fourth day running. Dealings, however, continued on the Continent and in New York. An early rate for the pound from New York was $2.44¼-2.45½, compared with $2.45-$2.46 at the close of business the previous night. Rates for major European currencies reported during dealings on the Continent showed the dollar generally somewhat firmer than at the end of the previous day's dealings. The Dutch guilder closed in Amsterdam at about Fl.3.46½-3.47½ to the dollar, the Belgian franc was reported at abot Frs.48½-49, the German mark at DM3.40-3.42, the Italian lira at Lr.608-614, the French franc at Frs.5.46-48, the Swedish krona at Kr.5.11-5.13, and the Swiss franc at a late level around Sw.Frs.3.95-3.48½.

Euro-currency dealings in London produced a rate of 22 per cent. or so for overnight deposits, and of about 8-10 per cent. for week-end deposits, with short-term fixed period rates slightly softer than the previous day in some cases, though there were again wide spreads of rates for the various periods.

Gold was fixed at $43.40 an ounce in London in the morning, with the news of the French suggestions for a dual exchange rate system apparently prompting some demand. The afternoon fixing, however, was at $43.30, and the closing quotation—after a moderate day's business—was $43.25-43.45, against Wednesday's $43.25-43.50. New sovereigns were unchanged at $10.80-11.00, but old hardened to $13.10-13.40, from $12.90-13.30 overnight, and double Eagles gained $¾ to $68¼-69¼. In Zurich, gold ended at $43.25-43.45, for a net gain of 5 cents. In Paris, the 12½-kilogramme gold bar was fixed at Frs.7,500 an ounce at noon, up Frs.75, but fell back Frs.80 at the afternoon fixing. The one kilogramme ingot eased Frs.55 an ounce to Frs.7,418 Turnover at the Bourse meeting rose to Frs.4.8m., from Wednesday's Frs.2.9m. Hong Kong lowered gold H.K.$1½ a tael to H.K.$322½.

EXCHANGE CROSS-RATES —AS AUGUST 13

Aug. 13	Frankfurt	New York	Paris	Brussels	London	Amsterdam	Zurich
Frankfurt	—	3.365-389	(U)	(U)	(U)	(U)	(U)
N. York	29.485-500	—	4.14-1475	2.015-016	2.4195-4198	2.91-92	24.615-625
Paris	162.80-3.07	5.5275-32	—	11.105-113	13.3580-3445	160.24-35	156.03-15
Brussels	14.65½-66½	49.62½-⅜	9.00-01½	—	131.05-10	14.40¼-½	12.92½-3¼
London	8.19¼-20¼	2.41¼-42	13.33¼-¼	130.0-10	—	8.36¼-37¼	9.81¼-82¼
Am'd'm	101.58½-95½	3.44¼-½	62.49½-54½	6.94¼-½	8.33¼-¼	—	4.86½-91½
Zurich	119.80-120	4.06-07	75.50-60	4.15½-16	[illegible]	117.60-90	—

U.S. $ on Montreal 1.01⅛-⅜. Canadian $ on New York 0.9890-9890. Milan on New York 617.50. Milan on London 1497.00. (U) Unavailable.

EURO-CURRENCY INTEREST RATES ◇

Aug. 19	Sterling	U.S. dollar	Canadian dollar	Dutch guilder	W.German mark	Swiss franc
‡Short-term	—	—	—	4½-5½	—	1-2
7-days' notice	—	—	—	4½-5½	—	¾-1½
Month	—	9¾-11	—	4-5	5½-5⅞	1¾-2½
Three-months	—	8-9	—	4½-5½	½-6	3-3½
Six-months	—	8-9	—	5⅝-6¼	6¼-6¾	4⅝-4⅞
One-year	—	7¾-8¾	—	5¾-6¾	6-7½	5-5½

The following rates were quoted for London dollar certificates of deposit: one-month 10-9½ per cent., three-months 8¾-8¼ per cent., six-months 8¼-8¾ per cent., one-year 8¼-7¾ per cent.

◆ All rates highly nominal.

‡ Short-term rates are call for Sterling, U.S. dollars and Canadian dollars, and two-days' notice for Guilders, Marks and Swiss francs.

FOREIGN EXCHANGES —AS AUGUST 13

Aug. 13 1971	Bank Rate %	Market Rates Day's Spread	Close
New York	6	2.415½-43	2.41⅞-42
Montreal	6¼	2.44¼-45	[illegible]
Amst'dam	5½	8.28-89	8.36½-37½
Brussels	6	119.98-120.16	120.00-16
Copenh'gn	7½	18.11-18½	18.11¾-18¼
Frankfurt	5	8.14-22	8.19¼-20¼
Lisbon	3¾	68.50-69.05	68.80-[illegible]
Madrid	6††	167.95-168.25	168.05-15
Milan	5	1,500-05	1,500¾-01½
Oslo	4½	17.14-16½	17.14⅞-15½
Paris	6¾	13.32-35	13.33¼-¾
Stockh'lm	6	12.46½-48	12.47-½
Tokyo	5¼	862½-865½	864-865
Vienna	5	60.10-35	60.15-25
Zurich	5¾	9.75½-85½	9.81¾-82¼

N.B. Bank of England official limits for U.S. $2.38-43. Δ Bank of Portugal discount rate. †† Basic discount rate.

OTHER MARKET RATES

Australia	2.1423-1514	Malaysia	7.3525-3[illegible]
N. Zealand	2.1367-1432	Argentina	11.32-11.42
S. Africa	1.7121-7207		[illegible]
†India	5.5250-6600	Brazil	12.95-13.15
♠Pakistan	3.737-65		[illegible]
Ceylon	14.170-302	France	[illegible]
*Hng Kng	14.550-613	W.G'm'y	[illegible]
Luxemb'g	120.00-10	Spain	[illegible]
Belgium	[illegible]	Greece	[illegible]
Italy	[illegible]	Switzerl'd	[illegible]
Holland	[illegible]	Austria	[illegible]

§ Note rates quoted by specialist dealers. Other rates may be quoted elsewhere. † £'s per 100 Rps. ♠ Tourists receive a 45 per cent. bonus on foreign currency surrendered to banks in Pakistan. ♥ Rate for all denominations. * Hong Kong dollar in the pound.

U.S., Canada 98.82-98.85.

FORWARD RATES

—	One month	Three months
New York	[illegible] c. dis.	[illegible] c. dis
Montreal	¼c. pm par	⅞ par pm
Amst'dam	3-2⅛ c. pm	7⅛-6¾ c. pm
Brussels	110 90 c. pm	310-185 c. pm
Copenh'n	par 5 ore dis	3-8 ore dis
Frankfurt	2¼-1⅝ pf. pm	5¼-4¾ pf pm
Lisbon	15 c. pm-05 dis	25 c. pm-05 dis
Milan	6 2 lire pm	10¼-6½ lire pm
Oslo	13 8 ore pm	23 13 ore pm
Paris	7½-4½ c. pm	22-18 c. pm
Stockh'lm	par 1 ore dis	par 1 ore pm
Vienna	5 1-05 gro. pm	55 26 gro. pm
Zurich	7½ 6½ c. pm	14¾ 13¾ c. pm

OVERSEAS SHARE INFORMATION

Investment $ Premium 22¾% (23¾%)

NEW YORK

Stock	Aug. 19	Aug. 18
RAILROADS		
Burlington Nthn.	52⅝	51⅝
Canadian Pacific	64⅛	65
Chesapeake Ohio	62¾	62⅝
Illinois Cen. Ind.	39⅞	38⅞
Norfolk&Western	81⅛	81½
Penn Central	5⅛	5¼
Reading	7⅞	7⅝
Santa Fe Ind.	29⅝	27⅝
Southern Pacific	46½	43½
Southern Railway	66¼	63⅛
Union Pacific	60⅝	59¾
INDUSTRIALS, ETC.		
AVC	7⅝	7⅝
Acme Markets	57¾	57½
Addressograph	38¼	37⅛
Aetna Life & Cas.	66⅞	67¾
Air Products	54¼	54¼
Air Reduction	22¾	21¾
Alcan Aluminium	18⅝	18¾
Allegheny Lud.	23½	24½
Allied Chemical	31⅜	32½
Allied Mills	20⅞	21¼
Allied Stores	32¾	32½
Allis Chalmers	14½	14⅝
A.L.C.O.A.	52¼	51¾
Amerada-Hess	54⅛	56½
Amer. Airlines	34	33¾
Amer. Brands	44¼	44⅝
Amer. Broadcast.	44⅞	44¼
Amer. Can	34½	34⅞
Amer. Cyanamid	33⅝	33¼
Amer. Home Prod.	77⅛	78⅝
Am. Metal Climax	31	31⅜
Amer. Motors	8⅝	8¾
Amer. Smelting	22⅜	23
Amer. Standard	23⅝	23¼
AMF	38½	39
AMP	66¾	67¼
Ampex	15¾	16¼
Anaconda	17⅝	18
Anchor Hocking	35½	35½
Anheuser-Busch	50	50
Armco Steel	17¾	18
Asamera Oil	17⅞	18⅝
Ashland Oil	21⅝	21¾
Atl. Richfield	71⅝	70½
Avco	13½	13⅝
Avon Products	100⅞	100
Barber Oil	49⅝	49⅞
Becton Dick	31⅞	32⅛
Bell & Howell	49	50⅛
Bendix	42⅜	42½
Benguet Cons.	5⅞	5¾
Bethlehem Steel	24¾	24½
Black & Decker	73⅝	74½
Boeing	15⅞	16⅞
Boise Cascade	23⅛	23⅛
Borden	27⅜	27¼
Borg Warner	28¼	28⅝
Braniff Airways	12	11⅞
Bristol Myers S.	64¾	64½
Brit. Pet. ADR	14	13⅞
Broadway-Hale	42½	41¾
Brockway Glass	30	29⅝
Brunswick	35	33½
Bucyrus-Erie	28¾	28⅝
Budd	12⅝	13⅛
Bulova Watch	24⅛	24
Bunker-Ramo	10¼	10⅝
Burroughs	131¼	131½
CPC Intern'tion'l	33¼	33¼
Campbell Soup	35⅝	35¾
Canal Randolph	17	17
Capitol Industries	9⅞	10
Carnation	90¼	90
Carrier & General	15⅞	17
Caterpillar Tract.	53⅛	53½
Celanese	75	76
Cerro	14⅛	14¼
Certain-Teed	31¾	31⅞
Cessna Aircraft	25¾	24⅛
Chesebr'gh Pond	55½	56¼
Chicago Bridge	118	119½
Chrysler	30⅝	30⅞
Cin. Milacron	44⅛	44
Cinerama	3½	3⅝
Cities Service	42⅝	43
City Investing	21	21⅝
Coca-Cola	102	101½
Colgate-Palm	47¾	46⅝
Collins Aikman	26	26¼
Colum. Brdcst Sy.	49⅛	48½
Columbia Pict.	10⅛	10¼
Combustion Eng.	65⅛	65⅝
Comm. Solvents	22½	22¾
CommSatellite	62¼	63¾
Conwlt Oil Ref.	14⅛	14½
Consol Foods	46⅝	46⅝
Continental Can	37¾	37⅝
Continental Oil	30½	31⅝
Control Data	60½	60¾
Cooper Bauge	28¼	30⅝
Corning Glass	248¼	255¾

Stock	Aug. 19	Aug. 18
Crane	45½	46¼
Creole	24½	24⅛
Crowell Collier	10⅝	11
CrownZellerbach	31	31¼
Cummins Engine	50¼	50¾
Curtiss-Wright	12¼	11¾
Dart Industries	42⅜	42¾
Deere	45⅝	45⅛
Delmonte	23¼	23¾
Deltona	32⅝	31½
Disney (Walt)	106⅜	106⅞
Dist'lers Seagram	57	56
Dow Chemicals	68½	67⅞
Dresser	30¼	30½
Dupont	146¾	148⅝
Eagle Picher	23½	24¼
East Air Lines	18⅞	19⅛
Eastman Kodak	81⅝	82¼
Eaton	40[illegible]	39¾
E.M.I.	3¼	3⅜
Eltra	25½	26¼
Emery Air Fr'ght	72	72½
Engelhard Min.	31½	31½
Essex Int'l	42⅛	43
Ethyl	21½	21⅜
F.M.C.	27⅝	27⅝
Factor (Max)	38	38¼
Fairchild Camera	37⅞	38⅝
Fed. Dep. Stores	46	45⅞
Firestone Tire	54	54⅜
Flintkote	28⅜	28⅝
Fluor	24¼	23¾
Ford Motor	67½	67¾
Foremost Mckes.	21⅜	21½
Foxboro Company	45⅝	46
Freeport Sulphur	22⅛	23⅛
Fruehauf	37⅝	37
Fuqua Industries	23	23¾
G.A.C.	14⅛	14½
G.A.F.	18¾	18¾
Gannett	53¼	54⅝
Gen. Amer. Inv.	23½	23⅞
Gen. Amer. Trans.	56¾	55¼
Gen. Cable	21	20¾
Gen. Dynamics	23½	23⅝
Gen. Electric	60⅞	60⅞
Gen. Exploration	9	9
General Foods	34½	35
General Mills	34⅞	35
General Motors	83⅛	83⅛
General Signal	70	71
Gen. Tel. Elect.	31⅝	31¾
General Tire	26¼	26¼
Genesco	32	32⅝
Georgia Pacific	53⅛	54¼
Getty Oil	82⅜	83½
Gillette	41¾	41¾
Gimbel Bros.	35⅜	33¼
Glen. Alden	8⅞	8⅞
Goodrich (B.F.)	32⅝	32⅜
Goodyear Tire	33	33½
Gould	42¾	42⅝
Grace W. R.	29¼	29¼
Grand Union	25⅝	26⅞
Gt. Atla. Pac. Tea	24¼	25
Grt. North Iron	10⅝	10⅜
Grolier	21¾	22
Gulf & Western	28½	28⅛
Gulf Oil	27⅞	28⅝
Haliburton	67½	67⅝
Hanna Mining	54¼	54¾
Heinz H. J.	45	47
Hewlett-Packard	41¼	41⅝
Holiday Inns	44⅛	45⅛
Homestake Ming.	25½	23⅝
Honeywell	102⅝	102⅝
Hoover	58¾	59
I.N.A.	54⅝	55¼
Ingersoll Rand	56⅜	56⅛
Inland Steel	30⅛	30
Insilco	17¾	18
IBM	307	310.25
Intl. Chem. Nuc'r	25¾	24½
Intl. Flavor	77½	79
Int. Harvester	27¾	28
Intl. Holdings	13⅞	14⅜
Int. Min. & Chem	17¾	17¾
Intl. Nickel	31	31¼
Intl. Paper	32¼	32⅝
Int. Tel. & Tel.	57⅝	57½
Interstate Strs.	14⅜	14½
Inv. Funding A.	10	10⅛
Iowa Beef	35⅛	35⅝
Jim Walter	39½	39⅝
Johns Manville	38⅛	38¾
Johnson Johnson	94¼	94¾
Johnson Service	29¾	29½
Jones & Laughlin	15½	16¼
Joy Manufactu'g	58⅛	58⅜
Kaiser Al'min'm	26½	27⅛
Kaiser Industries	12⅞	12¾
Kaiser Steel	29¼	30
Kennecott	30¼	30⅞
Kerr McGee	41½	43⅞
Kidde (Walter)	26¾	27¼
Kimberly-Clark	28¼	28¼
Kinney Natl.	31⅝	32
Koppers	33¾	33¾
Kraftco	41⅞	41½
Kresge	92⅝	92½
Kroger Co.	31¾	32
Lerner Store	47	47
Libbey Ow. Ford	49½	49⅝
Libby, McNeil	8¼	8⅛
Liggett&Myers'B	52⅞	53¾

Stock	Aug. 19	Aug. 12
Ling-T'mco-V'ght	14½	14⅝
Litton Indus.	25	26⅜
Lockheed Aircr.	9¾	9⅞
Lone Star Cem.	29½	29⅝
Louisiana Land	47	49¼
Lubrizol	104¼	104⅛
Lucky Stores	38¼	37⅛
L'kes-Youngstwn.	8¾	8¾
MCA	23⅝	23⅝
Macy R. H.	41½	41¾
Magnavox	50¾	51⅝
Marathon Oil	35⅜	36⅛
Marcor	34½	35⅝
Marshall Field	34⅝	34⅝
May Dept. Stores	45½	45⅝
McDermott	41¾	42¾
McDonnell Doug.	29⅝	30
McGraw-Hill	19¼	19½
Memorex	36	36
Merck	103½	103¾
Merrill Lynch	39⅛	39
MGM	21⅜	21⅞
Minn. Min & Mfg.	120¾	120⅜
Mobil Oil	48½	48½
Monsanto	45⅞	45⅝
Motorola	84¾	85⅛
Murphy Oil	34½	34
Nalco Chemical	52¾	52¼
Nabisco	49¼	49¾
National Can.	25⅝	25⅝
Natl. Cash Rg.	41½	41⅛
Nat. Distillers	15¼	15⅛
National Lead	18¾	18¼
Nat. Service Ind.	25⅜	25¾
National Steel	41	41¼
Natomas United	80½	79⅝
Neptune Meter	17¼	17⅝
New England Tel	34⅝	35
Niagara Share	16¼	16⅝
N.Amer Rockwell	28⅝	28¾
Nthwest Airline	28	27⅛
Occidental Petrol	15⅞	16⅛
Ogilvy Mather	33	33
Olin	19½	19¼
Otis Elevator	41¾	42
Owens-Corning	46⅞	45
Owens-Illinois	53⅞	54⅛
PPG Industries	38⅞	39½
PacCoast Prop.	4	3⅞
PanAm World Air	11⅜	11
Parker Hannifin	43⅛	43½
Penney J. C.	67½	67⅛
Pennzoil United	28⅝	29
Peoples Drug	24	23¾
Pepsico	56½	57¾
Pergamon	3½	3½
Perkin-Elmer	49⅝	47¾
Pet	45	46¼
Pfizer	38	38⅛
PhelpsDodge	37½	37¾
Philip Morris	66½	65⅛
Phillips Petrol'm	31¼	31⅝
Pillsbury	49⅛	49¼
Pitney Bowes	26½	26¼
Pittston	44½	44⅛
Plessey Ltd ADR	2⅛	2⅛
Polaroid	110	112
Procter Gamble	69⅝	70
Pullman	54	54⅜
Purex	18¼	19
Quaker Oats	44	45
RCA	35¼	35½
Raytheon	38⅛	38½
Republic Steel	25⅛	25⅜
Revlon	65¼	66¼
Reynolds Metals	21	21⅛
Reynolds RJ Ind.	62⅜	62¾
Rich-Merrell	67¾	68⅛
Roan Selection T.	6	5⅞
Rohm & Haas	110	110¾
Royal Dutch	39¼	39¾
Russ Togs	20⅛	21¼
Safeway Stores	34⅝	35⅝
St. Joe Minerals	25	26⅜
St. Regis Paper	34½	34⅞
Saxon Ind.	23	22⅞
Schlitz Brewing	95	95½
Schlumberger	140	137½
Scott Paper	18⅝	18¾
Scovill Mfg.	45	44⅞
Searle (G.D.)	68⅞	68⅞
Sears Roebuck	90⅝	90
Sedco	38¾	39
Shell Oil	43½	44¼
Shell Transport	37½	37½
Signal	19⅛	19⅜
Signode	52⅛	52⅛
Simplicity Pat.	146¾	147
Singer	70¾	70⅝
Skelly Oil	48¼	49
Smith Kline	54⅜	54¾
Solitron	13¾	13⅝
Southdown	40⅝	41⅜
Sperry Hutch.	42⅞	42½
Sperry Rand	31½	31⅜
Squibb	80½	81½
Standard Brands	44⅜	44¼
Std. Oil California	52	53⅛
Std. Oil Indiana	64	64½
Stand. Oil N.J.	70⅛	70⅝
Stand. Oil Ohio	87¾	88
Stauff. Chemical	43	42¾

Stock	Aug. 19	Aug. 18
Sterling Drugs	45	44¾
Studebaker	59	59¾
Sun Oil	54⅞	54⅞
Sundstrand	27⅜	27¼
Swift	41¾	42½
Syntex	68⅛	67¼
T.R.W.	35	35⅝
Technicolor	14⅞	15⅛
Tektronix	35¼	35½
Teledyne	23⅝	24
Telex	14½	15
Tenneco	26⅝	26¾
Texaco	31⅝	32¼
Texas Gulf Sulph	16	16
Texas Instm.	113⅝	114⅛
Time	52⅝	53½
Times Mirror	46⅝	46¼
Timken	39½	40
Trane	64¼	64⅛
Transamerica	17¼	17⅝
Trans. World Air	29	29⅛
Travelers	36½	36⅛
20th Cent. Fox	10⅛	10⅝
UAL	37⅛	37
USM	15¾	15⅝
UARCO	26⅛	26¾
Unilever Ltd.	32	32½
Unilever N.V.	53¾	54
Union Carbide	44¾	43¾
Union Oil Calif.	34½	34¼
Uniroyal	22⅝	23
United Aircraft	34	34¼
United Brands	13¼	12¾
U.S. Freight	29	28¾
U.S. Gypsum	65½	66
U.S. Shoe	25⅝	25½
U.S. Smelt. Ref.	24½	24¼
U.S. Steel	30⅜	30⅜
Universal Oil	17⅝	17¾
University Comp	27¼	27⅜
Utah Cons.	62	62¼
Walgreen	24	24¼
Warner-Lambert	72	72⅛
Wells Fargo	40⅝	40⅜
Westingh'se Elec.	92	92⅝
Westvaco	18	18⅞
Weyerhaeuser	50⅞	51⅞
Whirlpool	92	94
White Cons. Ind.	27⅛	27½
Will Ross	39⅛	38⅝
Woolworth	49¼	49¼
Xerox	116⅛	117½
Zapata Norness	32	33
Zenith Radio	49⅛	50¼
PUBLIC UTILITIES		
Allegheny Power	21¾	22
Amer. Elec Pow'r	27⅝	27¾
Amer. Nat. Gas	36	36
Amer. Tel. & Tel.	43⅛	43⅝
Balt. Gas Elec.	30	30⅛
Brascan	18	18⅛
Central S.W.	44	44⅞
Columbia Gas	35⅛	35¼
Com'w'lth Edison	35⅝	35¾
Con. Edison N.Y.	25⅝	25⅛
Consol Nat. Gas	28⅛	28⅜
Consumers Power	29⅝	29¾
Continental Tele.	21⅝	22
Detroit Edison	19⅞	20
El Paso Nat. Gas	18¼	18⅛
Florida Power	44	43¾
Gen. Public Util.	22⅛	22⅝
Greyhound	24⅝	24⅝
Intnl. Utilities	38	39
Long Island Lig.	22⅛	22¼
New England El.	23¾	22½
Niagara Mohawk	15⅞	16⅛
North Nat. Gas	50⅛	50⅛
Nthn. States Pwr	25⅜	25⅞
Ohio Edison	23⅞	23¾
Pacific Gas	29⅝	29⅞
Pac. Lighting Co.	24¼	24⅝
Pac. Pwr. & Lt.	23¾	23½
Penn Power & Lt.	23	22¾
People's Gas	34⅛	33¾
Philadelphia Elec	23½	23½
Potomac Elec.	15⅛	15
Pub. Serv. Elec.	27⅜	27⅛
Southern Cal. Ed.	30⅛	30
Southern	21	21⅛
Sthn. Nat. Gas	47⅛	48
Texas Utilities	59⅜	59½
United Corp.	8⅛	8¼
UGI	21	20⅜
Virginia Elec.	19⅜	19⅝
Western Union	41	41⅛
Wisconsin Elec.	21¼	21⅛
TRUSTS, BANKS & BONDS		
Americ'n Express	118	117½
Amer. S. A. Inv.	46⅝	43¼
Bank America CP	63⅝	63¾
Bankers Tr. N.Y.	52⅝	52¾
Chase Manhattan	49¼	49⅛
Chemical Bk. NY	53⅜	52⅞
Citch 3⅝ 1995	147¼	147⅜

Stock	Aug. 19	Aug. 12
Crocker Nat. C.P.	35½	35
[illegible]	[illegible]	[illegible]

TORONTO

[illegible]

MONTREAL

[illegible]

GERMANY

Aug. 19	Price Dm	+ or —	Div. %	Yld. %
6% Fed. Loan 1977	91	+⅛	6	6.6
A.E.G. Dm50	†167	−1	16	4.8
Allianz Vrs Dm50	381	−1	12	1.6
Audi NSU (Dm50)	149	+4	—	—
B.M.W. (Dm50)	†179	+4	12	3.3
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

PARIS

Aug. 19	Prices Frs.	+ or —	Div. Frs.	Yld. %
Rentes 3½pc 1952	172.1	−1.1	3.5	2.0
Air Liquide	407		10.23	2.5
Aquitaine	654	−1	15.54	2.1
BanqueInd.Chine	306.2	−1	9.09	2.9
Beghin	160.1	−0.1	7.39	4.6
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

MILAN

Aug. 6	Price Lire	+ or —	Div. Lire	Yld. %
Alitalia Priv.	10,970	−10	—	—
ANIC	842		50	5.9
Bastogi	2,089	+14	85	4.0
Breda	4,570	−45	165	3.6
Burgo	9,010	+10	316	3.5
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

AUSTRALIA

Aug. 19	Aus $
Acrow Australia	1.30
AdelaideBrighton Cem't50c	1.33-1.35
Ampol Exploration	1.15-1.20
Ampol Petroleum	0.48-0.50
Assoc. Minerals	3.02
Assoc. Portland Cement	0.94-0.96
[illegible]	[illegible]

BRUSSELS

[illegible]

AMSTERDAM

[illegible]

OSLO

[illegible]

SWITZERLAND

[illegible]

VIENNA

[illegible]

TOKYO

[illegible]

STOCKHOLM

[illegible]

COPENHAGEN

[illegible]

JOHANNESBURG

[illegible]

STOCK EXCHANGE REPORT

Leading equities steadier but trading still very quiet

Index regains 2.4 to 405.1—Late strength in 'Royals'

ACCOUNT DEALING DATES

First Dealings	Option Declarations	Last Dealings	Account Day
Aug. 9	Aug. 19	Aug. 20	Sept. 1
Aug. 23	Sept. 2	Sept. 3	Sept. 14
Sept. 6	Sept 16	Sept 17	Sept 28

" New time " dealings may take place from 5 p.m. three business days earlier.

The currency crisis kept business on the London Stock Exchange down to a minimum again. However, there were a few more buyers about and prices of many of the leaders firmed up in the later trading. The larger investment buyers, however, continued to hold off and business was generally small and patchy. The Financial Times Industrial Ordinary share index recouped an early loss of 0.7 to close 2.4 up on the day at 405.1.

Late firmness in the leaders did not show through in secondary issues, but there was more general interest following an increased number of company news items. Insurances were good in the late afternoon on the much better-than-expected half-yearly results from Royal Insurance which rose 11p to 397p. Lines Bros. were particularly weak, dropping 22p to 5p, on plans for voluntary liquidation.

Bargains marked at 10,058 were a little higher compared with 9,318 on Wednesday.

Gilts stay firm

Gilt-edged had another quiet day, but the undertone stayed very firm. Easier on a little nervous selling ahead of the unchanged Bank Rate decision, medium- and long-dated issues picked up after the noon announcement on thoughts that a reduction in the near future is a real possibility. Firmness showed mainly in the mediums which ended with net gains of ⅛ to ¼. Short-dated stocks held firm all day and closed with rises of ⅛ to $\frac{3}{16}$.

Institutional selling outweighed demand on arbitrage account and the investment dollar premium gave up ¾ at 22¼ per cent. Japanese Eurodollar issues deteriorated afresh with Komatsu 6½ per cent., 1984, a notable 29 points down at $US150.

In Recent Issues, British and Canadian Investments were good again and rose 5p to a fresh peak of 161p.

" Royals " strong

Insurances were very quiet for most of the day with an easier tendency, but Composites were *suddenly awakened* just before the House close by news of " Royals " sharply better first-half profits and prices made a swift upturn. " Royals " ended 11p up *on the day at 397p, having been* 388p immediately in front of the news, while General Accident were finally 3p better at 189p, after 181p. and Commercial Union 4p up at 454p, *after 444p.*

Home Banks only saw a small business, but there was a gradual improvement which quickened in the " after-hours " dealings. Midland *finished prominently better* at 535p, up 12p, while Lloyds were 8p firmer at 613p. Irish issues gained another 5p, but Australian Banks were dull again. Australia and New Zealand losing *10p more* at 244p.

Trade in Breweries was rather quiet and prices were usually little changed. Truman Hanbury *continued to attract* a good deal of interest, however, as the bid situation appeared to be nearing a climax and the shares, at 459p, picked up the previous day's loss of *3p.* *Watney Mann* hardened 1p to 123p, while Grand Metropolitan closed unaltered at 184p.

Norwest Holst rose 6p to 126p following the results. J. L. Kier picked up 3p more at 146p on suggestions that they would be among the favourites for the contracts on the proposed new tube line. Richards Wallington, however, were *prominently dull* at 72p, down 8p.

ICI closed 7p better at 321p after a better turnover. Also firm were Anchor Chemical, 6p up at 78p, on the higher interim profits.

Granada " A " fell 10p to 370p, but British Lion were wanted and closed 5p up at 55p.

Leading Electricals stayed quiet and Plessey lost 2p at 128p. GEC, after opening a shade easier, met " new-time " buying and improved to 155p for a net gain of 3p. News of the sharp rise in colour television receiver deliveries in July brought in buyers for Thorn issues and the " A " closed 8p *higher at 402p after a good business.* Robinson Rentals improved 5p to 435p. Dorman Smith " A " were quoted ex-scrip issue and closed with an effective advance *of 20p at 145p in a nominal market.* Aberdare rallied 2p to 14p. Despite the higher dividend and profits, Pifco lost ground with the " A " closing 15p down at 330p. *Declines of about 5p were seen* in Advance Electronic, 123p, Decca " A," 171p, and Louis Newmark, 150p.

Following the bid, worth about 60p per share, with United Drapery Stores unchanged at 134½p, A. and S. Henry jumped 15p to 71½p on hopes of further developments. Executex rallied 1½p to 19p, while gains of about 4p were seen in Robert Kitchen Taylor, 70p, and A. Preedy, 65p. On further consideration of the results, Dixons Photographic *rallied 3p* to 85p, but Philip Kunick, a firm market of late, eased 1p to 18p despite the in*creased dividend and the* more than doubled profits. D. Perkins *dipped 6p to 138p, while other* dull spots included Selincourt, 1½p off at 15p, and Austin Reed " A," *10p lower* at 350p.

Selected Engineerings made *forward* progress, particularly Babcock and Wilcox, which attained an " after-hours " price of 272p, up 16p on the day. Revived speculative interest *encouraged a gain of 5p to 133p* in Averys, while leading issues Tube Investments, 448p, and Metal Box, 387p, rose 4p apiece. Tom Martin, at 70p, regained 5p of the *sharp (11½p) fall which followed* Wednesday's lower interim figures, while W. G. Allen, a good market recently, advanced 3p more to 69p on the preliminary results and *proposed scrip issue.* Steel Group closed 1½p easier at 145p, after 153p; the effects of good figures were tempered by the statement about the current order book position. Following the latest trading loss, Yarrow gave up 4p at 33p.

Lines Bros. slump

From Wednesday's overnight level of 27p, Lines Bros. slumped to 2p at one *stage on news of the* proposal for voluntary liquidation; the price picked up a little on some speculative demand and closed at 5p for a net loss of 22p.

Other toy issues were little affected; Cowan de Groot, ahead *of the results expected next Friday,* rose 5p more to 70p. Speculative demand in a thin market pushed Reeves and Sons up 30p to 200p following news of a board*room split; a statement was issued* in early-July on talks with Heenan Beddow to explore the possibility of a closer association between the two companies. S. *Hoffnung were good late, up 7p* at 190p, on the results, while Richards Bros. rose 6p to 50p on the figures and proposed scrip issue. On the other hand, Cussons lost *5p at 45p on the dividend* cut, while dull spots after the interim results were Smith and Nephew, 5p down at 67p, and Jeyes Group, 3p lower at 92p. Rank Organisation " A," better at the start at 870p, reacted late to close 16p down on the day at 844p. " New-time " buying helped Courtney Pope, 7p up at 70p, and Newton Chambers, 5p higher at 81p.

In Foods, Allied Suppliers eased 4p to 248p, while Ranks Hovis, 121p, and Tate and Lyle, 149½p, *lost 2p apiece. Following Cavenham's* claim of victory in the bid battle with Rowntree Mackintosh, Bovril came back 1p more to 464p and Cavenham 5p further to 93p; *Rowntree Mackintosh* added 3p more at 512p. Scot Meat Products attracted some " new-time " buying and rose 9p to 162p. Speculative demand helped Geo. Bassett at 109p, up 2p, while J. Martin picked up 2p at 27p following the agreed offer, worth 28p a share, from Lewis and Peat. Also firm were Avana Group at 13p, up 1½p. In Supermarkets, Associated Food Holdings, after Wednesday's fall of 17p on the disappointing profits, came back 4p more to 92p.

Lucas down late

Rolls-Royce suppliers received a late jolt from a report that the RB-211 engine would not be exempt from the U.S. *surcharge;* Joseph Lucas were marked down 11p to 250p, Daniel Doncaster 2p to 45p, and Rolls-Royce Loan 4 points to £54. Later it was clarified that the report was based on the personal view of Mr. John Connolly, U.S. Treasury Secretary. Elsewhere in the Motor sections, Clayton Dewandre came back 5p to 118p after the interim figures, but Bluemel Bros. were a good market at a 1971 peak of 39p, up 5½p.

End-Account selling of Properties was fairly well absorbed and final losses, apart from the heavier-priced stocks, were small. Stock Conversion closed 8p lower at 600p and Oddenino's 5p off at 310p, while Land Investors gave up 4p at 120p. Edger Investments, however, rose to 216p on hopes of yet a further increased bid from Amalgamated Investment before ending with a net 4p gain at 211p. Revived speculative buying lifted Bradford 6p to 147p.

Among Papers, Reed International recovered 4p to 217p, but Peter Dixon shed 5p more at 145p. Still influenced by the sharply reduced interim profits, Olives *Paper Mill lost 3p further to 38p.* In Newspapers, Associated picked up 4p to close at 140p. Elsewhere, Morgan-Grampian also gained 4p to 119p.

Although still a sensitive market, Oils tended to steady after the sharp fall of the past two days. In the absence of any further nervous selling, Shell *hardened 1p to 388p and Burmah* closed unchanged at 426p, after 430p, but British Petroleum lost a small early gain to end 2p lower on balance at 580p. Fresh de*mand, including a little for the* new Account, raised Anglo-Ecuadorian 5p to 78p, but profit-taking brought Trinidad Canadian back 3p to 144p. Australian oils weakened in line with " down-under " advices, Associated Australian losing 8p at 60p and Woodside 5p at 54p.

In Trusts, Ashbourne Invest*ments rose another 3p to 38p* against the general trend. Giltspur Investments were also firm at 144p, up 3p, while the " nil-paid " new shares closed 2½p better at 18½p premium; the last *date for acceptance of the* " rights " offer is next Wednesday. Rothschild Investment lost 6p more at 450p, while East of Scotland were 4p off at 191p. Drakes featured Financials with an advance of 11p to a 1971 peak of 208p on " new-time " demand. Armour Trust rose 3½p to 49p and Austim 2½p to 50p, while London and Bombay were 3p better at 82p and J. H. Vavasseur 6p up at 178p. Abercom Investments, a good market of late, came back 4p to 194p following the previous evening's 6p rise on the good *preliminary* statement.

Court Line good

Shippings were *mainly* quiet and easier in places, but Court Line met with good buying interest and, after Wednesday's 3½p rise, closed 6½p higher at 129p: dealers reported the clearance of a large line of stock which had been overhanging the market. *In sharp contrast,* Reardon Smith remained depressed by the poor *interim results* and the "A" finished 8p lower at 50p.

Courtaulds stood out in Textiles with a rise of 4p at 126p. Price *movements otherwise* were usually limited to 1p, but Parkland, 27p, and Tomkinsons, 101p, hardened 2p and 3p respectively. On the other hand, falls of 3p were recorded in Shaw Carpet, 65p, and John Crowther, 45p, while Radley Fashions gave up another 2p at 58p.

After Wednesday's rise of 2p *on the results.* *Dunhill* gave up 5p at 120p. Gallaher eased 4p to 124p, but other Tobaccos were barely changed.

FINANCIAL TIMES STOCK INDICES

—	August 19	August 18	August 17	August 16	August 13	August 12	A Year ago
Government Sec.	75.47	75.40	75.39	75.19	75.15	74.68	70.61
Fixed Interest	74.66	74.61	74.58	74.56	74.51	74.26	72.46
Industrial Ordinary*	405.1	402.7	404.2	409.3	412.6	408.6	339.4
Gold Mines	54.0	54.8	56.3	58.6	58.1	58.1	48.4
Ord. Div. Yield pc	3.78	3.80	3.78	3.75	3.71	3.72	4.90
Earnings Yield pc (a)	5.89	5.93	5.90	5.85	5.80	5.80	6.74
P.E. Ratio (a)	16.98	16.88	16.95	17.14	17.26	17.23	14.83
Dealings Marked	10,058	9,318	11,916	12,469	11,590	11,775	7,386

* 10.30 a.m. 402.0. Noon 402.7. 2.45 p.m. 403.3.

(a) Based on 40% corp. tax from March 30, 1971. Latest Index 01-246 8026

HIGHS AND LOWS

—	1971 High	1971 Low	Since Compilation High	Since Compilation Low
Govt.Secs.	75.74 (16/7/71)	68.85 (4/1/71)	127.4 (9/1/35)	64.21 (11/6/69)
Fixed Int.	74.77 (16/7/71)	69.63 (4/1/71)	150.0 (28/11/47)	67.12 (11/6/69)
Int. Ord.	415.3 (27/7/71)	305.3 (5/5/71)	521.9 (19/9/68)	49.4 (25/6/40)
Gold Mines	61.3 (15/5/71)	52.3 (9/7/71)	100.0 (12/9/55)	44.0 (13/1/70)

S.E. ACTIVITY

—	August 19	August 18
Daily—		
Gilt-Edged	166.4	152.0
Industrials	354.9	311.3
Speculative	158.1	174.8
Totals	228.9	212.1
5-day ave—		
Gilt-Edged	162.4	162.7
Industrials	394.0	408.3
Speculative	174.7	171.2
Totals	252.0	256.0

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. S.E. Activity July-Dec. 1942

Golds lower

The steadier tendency that had appeared in Gold shares during Wednesday's later dealings was maintained at first yesterday. Around mid-day, however, fresh selling developed and prices retreated before again closing steady when a few buyers appeared at the lower levels.

In the West Rand group, Western Deep came back 10p to a *low for the year of 410p* while Libanon were similarly placed with a fall of 7p to 163p. West Wits lost 25p to 805p. Financials were also looking steadier after having lost fresh ground, but Anglo-Vaal were 30p down at 700p. In Diamonds CAST fell 10p to 180p.

Australians were little more than quietly dull. Among the occasional new lows for the year, Peko-Wallsend sagged 10p more to 355p. Gold Mines of Kalgoorlie eased to 21p on news of the with*drawal of the tax concessions* that were mentioned in the company's statement last week. Spargos Exploration lost 10p to 50p.

Elsewhere, dealings were suspended in Fabulosa (4½p) at the company's request in view of the tense situation in Bolivia. Botswana RST rallied 10p to 210p after their recent slide. Cape offerings lowered Consolidated Murchison 10p to 385p.

CROWN AGENTS BUY SECOND COMPUTER

The Crown Agents, the Governmental buying and investment agency, has bought a second Honeywell computer, a 1015, which, together with a model 1250 installed two years ago at the agency's Sutton, Surrey, computer centre, brings to £500,000 the value of the installation.

Later this year, when investment and general office accounts are added to computer systems already running, the accounting work for all Crown Agents' services will be integrated, with principals' general accounts being computer-produced.

OFFSHORE AND OVERSEAS FUNDS (p★★★)

[illegible]

AUTHORISED UNIT TRUSTS (p★★★)

[illegible]

INSURANCE, PROPERTY, BONDS

[illegible]

STOCK EXCHANGE DEALINGS from the Official List for August 19

Thursday, August 19	10,058	Tuesday, August 17	11,916	Friday, August 13	11,590
Wednesday, August 18	9,318	Monday, August 16	12,459	Thursday, August 12	11,775

The list below gives the prices at which bargains done yesterday by members of the London Stock Exchange were recorded in the Stock Exchange Daily Official List. Members are not obliged to mark bargains except in special cases, and the list cannot, therefore, be regarded as a complete record of prices at which business was done.

Bargains are recorded in the Official List up to 2.15 p.m. only, but later transactions can be included in the following day's Official List. No indication is available as to whether a bargain represents a sale or purchase by members of the public. Markings are not necessarily in order of execution, and only one bargain in any one security at any one price is recorded.

The number of dealings marked in each section follows the name of the section. Unless otherwise denoted shares are £1 fully paid and stock £100 fully paid. Stock Exchange securities are quoted in pounds and fractions of pounds or in new pence and fractions of new pence.

† Bargains at Special Prices. Δ Bargains done with or between non-members. ⊕ Bargains done previous day. § Bargains done with members of a recognised Stock Exchange. ♣ Bargains done for delayed delivery or "no buying-in." $A—$Australian; $B—$Bahamian; $C—$Canadian; $HK—$Hong Kong; $J—$Jamaican; $Ma—$Malayan; $Me—$Mexican; $NZ—$New Zealand; $S—$Singapore; $US—$United States; $WI—$West Indian.

BRITISH FUNDS, ETC. (773)

CANALS & DOCKS (5)

COMMCL., INDUSTRIAL (5,572)

A—B

INTERNTL. BANK STOCK (1)

CORPN. & COUNTY.—U.K. (134)

PUB. BOARDS, ETC.—U.K. (23)

COMMONWEALTH GOVT. AND PROVINCIAL SECURITIES (36)

FOREIGN STKS., BDS., ETC. (3)

U.K. AND COMMONWEALTH RAILWAYS (12)

FOREIGN RAILWAYS (5)

BANKS & DISCOUNT COS. (365)

BREWERIES & DISTILLS. (331)

C—D

E—F

G—H

I—J—K

L—M

N—O—P

Q—R—S

T—U—V

W—Y—Z

ELEC. LIGHTING & POWER (6)

FINANCIAL TRUSTS, ETC. (222)

GAS (14)

INSURANCE (250)

INVESTMENT TRUSTS (589)

UNIT TRUSTS (8)

IRON, COAL & STEEL

MINES

Australian (46)

Miscellaneous (156)

Rhod. & E. African (27)

South African (272)

FOOD PRICE MOVEMENTS

	August 19 £ per ton	Week ago £ per ton	Month ago £ per ton
§ BACON			
Danish A.1†	370	355	345
British A.1†	350-2	335-7	325
Irish Special A	355	340	330
Polish A.1†	350	335	325
Ulster A.1	350	335	325
§ BUTTER	per cwt	per cwt	per cwt
N.Z. packet	24.15	24.15-.35	24.15
Australian packet	24.15	24.15	24.15
Danish salted packet†	26.95-27.00	26.95-27.00	26.95-27.00
§ CHEESE			
English cheddar white creamery selected	—	20.25	20.25
N.Z. finest rindless 40-lb blocks	16.80	16.80	16.80
*** EGGS**			
Home-prod. Standard	1.20-1.65	1.25-1.65	1.40-1.65
Large	1.70-1.95	1.85-1.95	1.50-1.80
	August 19 per lb	Week ago per lb	Month ago per lb
BEEF	p p	p p	p p
Scotch killed sides	17.5—20.0	18.0—20.8	18.5—[illegible]
Eire forequarters	11.7—12.9	12.9—13.7	13.3—[illegible]
Argentine chilled rumps	36.7—38.7	36.3—37.5	30.0—[illegible]
LAMB			
English	12.5—16.7	13.3—10.7	15.8—[illegible]
N.Z. 2s—Ds	12.5—14.2	12.3—14.2	12.5—[illegible]
PORK (all weights)	9.2—14.2	10.0—14.6	10.0—[illegible]
MUTTON			
English ewes	—	—	6.8—[illegible]
‡ POULTRY			
Broiler Chickens (all weights—oven ready)	14.0—15.0	13.5—15.0	13.5—[illegible]

* Prices per 120 eggs on Tuesday, August 17. † Ex quay. ‡ Prices on August 18. § London Provision Exchange prices.

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F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of The Financial Times, The Institute of Actuaries and the Faculty of Actuaries in Edinburgh

EQUITY GROUPS / GROUPS & SUB-SECTIONS (Figures in parentheses after sectional names show number of stocks.)	Thursday, August 19, 1971: Index No.	Day's Change %	With 40% Corporation Tax: Est. Earnings yield %	Est. Price Earnings Ratio	Div. yield %	Wed. August 18: Index No.	Tuesday August 17: Index No.	Mon. August 16: Index No.	Friday August 13: Index No.	Year ago (approx): Index No.	1971 High	1971 Low	Since compilation High	Since compilation Low
CAPITAL GOODS GROUP (184)	153.74	—	6.13	16.31	3.86	153.71	153.83	156.09	156.02	118.63	158.62 (28/7)	104.03 (3/3)	181.50 (19/8/68)	82.82 (25/6/62)
Aircraft and Components (3)	108.42	+0.3	7.65	13.24	5.76	108.11	109.52	113.88	116.32	94.39	116.32 (13/8)	66.40 (3/3)	280.12 (23/9/65)	66.40 (3/3/71)
Building Materials (29)	155.29	+0.1	5.03	19.88	3.43	155.20	155.35	155.41	156.69	99.08	157.94 (28/7)	98.30 (2/3)	167.98 (20/8/68)	85.01 (25/6/62)
Contracting and Construction (19)	231.66	—0.4	5.90	16.94	2.60	232.61	233.14	234.70	236.36	191.57	236.36 (13/8)	152.65 (25/3)	236.36 (13/8/71)	84.39 (27/6/62)
Elctrls. (ex. Elctrn. Rad. & TV) (13)	273.71	+0.7	5.15	19.43	3.01	271.80	270.30	274.70	274.11	198.66	283.44 (27/7)	174.23 (2/3)	335.11 (17/9/68)	84.71 (25/6/62)
Engineering (80)	143.18	—0.1	6.70	14.93	4.35	143.31	143.55	144.39	145.33	115.44	149.28 (28/7)	102.58 (2/3)	160.85 (19/9/66)	82.90 (26/6/62)
Machine Tools (15)	65.43	—0.5	7.38	13.55	6.21	65.77	65.82	66.92	68.50	65.77	68.30 (13/8)	43.86 (5/3)	136.70 (4/7/66)	43.86 (5/3/71)
Miscellaneous (25)	127.01	—0.7	8.06	12.40	4.64	127.84	128.38	129.32	129.88	114.60	134.65 (26/7)	94.19 (2/5)	144.27 (31/1/69)	69.01 (8/11/66)
CONSUMER GOODS (DURABLE) GROUP (56)	168.29	—	5.25	19.05	3.09	168.24	168.46	170.49	171.83	129.45	173.85 (27/7)	117.33 (2/3)	197.87 (15/1/69)	79.96 (25/6/62)
Electronics, Radio and TV (14)	179.70	+0.4	5.63	17.75	2.44	179.03	178.35	180.13	181.04	144.84	180.45 (23/7)	128.51 (2/3)	199.86 (19/9/68)	71.10 (6/11/66)
Household Goods (15)	184.81	+0.1	6.33	15.79	3.58	184.63	186.48	186.71	187.23	122.79	189.00 (28/7)	115.92 (8/3)	189.00 (28/7/71)	86.65 (26/6/62)
Motors and Distributors (27)	113.80	—0.4	4.46	22.43	3.75	114.28	114.86	116.90	118.39	85.81	120.53 (27/7)	78.91 (2/2)	170.59 (15/1/69)	75.92 (24/10/62)
CONSUMER GOODS (NON-DURABLE) GROUP (175)	159.60	+0.1	5.63	17.76	3.82	159.52	160.58	161.25	163.04	116.59	164.68 (18/7)	118.17 (3/4)	164.68 (18/7/71)	83.71 (8/11/66)
Breweries (21)	183.70	—0.3	5.43	18.41	3.46	184.32	185.19	185.03	188.52	119.70	194.97 (15/7)	123.30 (4/1)	194.97 (15/7/71)	80.39 (30/8/65)
Wines and Spirits (7)	166.55	+0.3	6.26	15.97	4.20	166.03	167.65	169.04	176.22	142.55	196.05 (14/7)	142.41 (4/1)	196.05 (14/7/71)	118.78 (15/6/70)
Entertainment and Catering (15)	198.85	—0.1	7.20	13.90	3.90	198.96	201.60	203.49	204.73	168.75	214.39 (15/7)	177.99 (2/3)	231.89 (21/1/69)	90.11 (25/7/62)
Food Manufacturing (24)	140.60	—0.5	5.75	17.40	3.87	141.36	142.98	144.01	143.83	105.32	144.01 (16/8)	99.74 (2/3)	171.54 (31/1/69)	95.98 (15/6/70)
Food Retailing (17)	140.04	—0.2	5.39	18.55	3.60	140.33	141.06	142.50	142.61	98.31	142.61 (13/8)	100.23 (2/5)	163.68 (7/8/68)	94.62 (27/5/70)
Newspapers and Publishing (15)	141.73	+0.7	6.06	16.51	5.02	140.69	141.12	141.27	141.42	107.34	142.39 (28/7)	101.66 (13/1)	184.86 (28/1/69)	81.74 (23/7/62)
Packaging and Paper (16)	115.75	+0.4	6.68	14.97	4.48	115.33	115.49	115.75	116.56	101.64	120.10 (27/7)	88.81 (2/3)	134.63 (2/1/69)	87.91 (25/6/62)
Stores (30)	152.62	+0.3	4.47	22.38	3.05	152.18	152.84	152.94	154.21	100.57	160.64 (27/7)	104.48 (2/3)	160.64 (27/7/71)	72.74 (8/11/66)
Textiles (21)	170.86	+1.3	5.77	17.33	5.28	168.71	170.36	171.88	173.68	132.47	177.77 (28/7)	137.81 (2/3)	263.72 (17/9/68)	89.90 (20/7/62)
Tobacco (3)	232.49	—	9.16	10.92	5.72	232.53	233.86	236.04	242.09	198.98	254.47 (27/7)	170.92 (20/1)	306.02 (30/1/69)	94.34 (13/8/62)
Toys and Games (6)	45.03	—9.6	—	—	5.66	49.80	49.33	50.34	49.49	53.89	69.03 (12/1)	45.03 (19/8)	135.72 (16/1/70)	45.03 (19/8/71)
OTHER GROUPS														
Chemicals (19)	188.03	+1.1	5.36	18.66	3.50	186.00	187.98	189.66	191.70	137.80	193.39 (28/7)	138.18 (10/2)	201.92 (31/1/69)	83.29 (25/6/62)
Office Equipment (10)	195.01	—1.7	3.59	27.89	1.54	198.38	203.80	204.08	196.70	131.51	212.06 (16/7)	153.52 (15/2)	212.06 (16/7/71)	109.12 (28/5/70)
Shipping (10)	314.26	—0.6	7.50	13.34	5.22	316.22	315.59	318.67	320.32	318.49	325.75 (1/4)	269.76 (16/4)	355.44 (9/10/70)	90.80 (29/6/62)
Miscellaneous (unclassified) (44)	180.44	+0.4	5.95	16.81	3.92	179.64	180.35	180.77	184.02	128.75	190.33 (27/7)	128.55 (2/3)	190.33 (27/7/71)	76.82 (8/11/66)
INDUSTRIAL GROUP (498 SHARES)	165.75	+0.1	5.65	17.70	3.66	165.55	166.52	167.55	168.92	—	170.96 (27/7)	120.61 (2/3)	170.96 (27/7/71)	120.61 (2/3/71)
Oil (2)	340.57	+2.2	5.94	16.82	5.68	333.30	340.79	354.49	356.48	268.13	365.50 (27/7)	260.74 (2/3)	431.66 (29/5/69)	87.23 (29/5/62)
500 SHARE INDEX	180.60	+0.4	5.69	17.56	3.67	179.83	181.33	183.39	184.82	135.61	187.27 (27/7)	132.46 (2/3)	193.73 (31/1/69)	84.86 (25/6/62)
FINANCIAL GROUP (121)	171.67	+0.2	—	—	2.78	171.36	171.54	172.49	173.36	110.61	173.44 (28/7)	119.73 (10/2)	173.44 (28/7/71)	69.38 (30/8/65)
Banks (6)	184.81	+0.6	7.47	13.39	2.75	183.79	182.88	183.83	186.51	108.01	189.94 (27/7)	101.65 (6/1)	189.94 (27/7/71)	69.25 (16/6/64)
Discount Houses (6)	175.32	+0.1	—	—	4.40	175.22	174.26	174.07	174.07	119.52	176.87 (27/7)	130.72 (6/1)	176.87 (27/7/71)	87.65 (18/6/69)
Hire Purchase (6)	262.05	+0.8	4.77	20.95	2.92	260.00	260.02	259.02	260.17	167.47	266.59 (19/7)	188.57 (18/1)	266.59 (19/7/71)	80.02 (3/8/65)
Insurance (Life) (9)	151.47	—0.7	—	—	2.86	152.51	152.71	153.97	153.71	117.24	155.17 (18/7)	123.16 (18/1)	159.83 (16/1/69)	61.35 (30/8/66)
Insurance (Composite) (9)	131.61	+1.1	—	—	3.24	130.23	129.86	131.85	132.62	81.33	134.50 (28/7)	89.80 (10/2)	134.50 (28/7/71)	54.40 (16/3/65)
Insurance (Brokers) (11)	166.36	—	5.33	18.76	2.61	166.31	168.65	172.86	174.00	101.63	179.08 (22/7)	118.27 (4/1)	179.08 (22/7/71)	82.59 (24/7/69)
Investment Trusts (20)	195.07	—0.8	2.92	34.30	2.71	196.67	196.50	195.61	197.31	143.69	198.14 (18/7)	152.16 (2/3)	215.04 (31/1/69)	80.84 (26/6/62)
Merchant Banks, Issuing Houses (14)	168.31	+0.4	—	—	2.30	167.58	169.08	170.86	170.71	113.96	173.43 (20/7)	108.44 (16/3)	181.25 (14/2/69)	50.47 (15/7/65)
Property (31)	219.31	—	2.65	37.73	2.19	219.41	221.30	221.16	219.94	138.75	221.30 (17/8)	139.37 (8/3)	221.30 (17/8/71)	56.01 (20/4/65)
Miscellaneous (9)	167.78	—0.6	6.08	16.45	4.43	169.81	170.75	171.41	173.90	—	179.01 (26/7)	120.73 (4/1)	179.01 (26/7/71)	120.06 (31/12/70)
ALL-SHARE INDEX (621 SHARES)	176.28	+0.4	—	—	3.45	177.62	178.79	180.58	181.86	129.36	183.66 (27/7)	129.47 (2/3)	183.66 (27/7/71)	63.72 (26/6/62)
COMMODITY SHARE GROUPS (Not included in the 500 or All-Share indices)														
Rubbers (10)	218.86	—	10.45	9.57	6.08	218.61	218.64	223.81	227.95	139.30	234.12 (11/8)	163.62 (7/4)	234.12 (11/8/71)	84.68 (25/8/65)
Teas (10)	90.18	—	16.48	6.07	8.90	90.18	89.86	89.74	89.80	74.18	91.08 (16/7)	78.71 (3/3)	114.64 (14/6/64)	59.96 (14/11/65)
Coppers (4)	329.23	+0.2	53.92	1.85	15.01	328.44	327.93	329.18	327.32	271.01	350.50 (12/7)	235.80 (21/1)	350.50 (12/7/71)	94.08 (29/4/62)
Mining Finance (11)	95.63	—2.8	6.92	16.89	3.57	98.38	99.47	102.91	102.94	118.88	106.79 (6/7)	95.63 (19/8)	175.90 (28/4/69)	95.63 (19/8/71)
Tins (8)	72.86	—	10.89	9.18	8.61	72.86	72.74	72.44	72.15	59.18	74.77 (20/7)	62.11 (4/1)	108.97 (29/6/66)	54.83 (27/5/70)

FIXED INTEREST	Thurs., August 19: Index No.	Yield %	Wed. August 18	Tuesday August 17	Monday August 16	Friday August 13	Thurs. August 12	Wed. August 11	Year ago (approx)	1971 High	1971 Low	Since Compilation †High	Since Compilation Low
Consols 2½% yield	—	9.16	9.15	9.15	9.19	9.18	9.26	9.35	9.24	—	—	—	—
20-yr. Govt. Stocks (6)	79.61	†8.17	79.63	79.65	79.56	79.47	78.84	78.40	73.59	80.68 (16/7)	70.60 (4/1)	115.42 (11/9/63)	68.43 (15/6/70)
20-yr. Red. Debentures & Loans (15)	72.48	†10.19	72.46	72.31	72.24	72.24	72.03	72.03	71.08	72.48 (19/8)	68.42 (4/1)	113.43 (23/10/63)	66.59 (16/6/70)
Investment Trusts Prefs. (15)	70.01	10.56	70.01	70.01	68.85	68.85	68.85	68.96	71.50	70.01 (17/8)	66.23 (11/1)	114.41 (13/9/63)	66.23 (11/1/71)
Commercial and Industl. Prefs. (20)	74.14	10.41	74.12	74.14	74.15	74.25	74.09	73.98	75.68	74.43 (6/8)	69.02 (13/1)	114.41 (7/10/63)	69.02 (13/1/71)

...ion or Group	Base Date	Base Value
... Manufacturing	29/12/67	114.13
... Retailing	29/12/67	114.13
...ance Brokers	29/12/67	96.67
...g Finance	29/12/67	100.00
... and Spirits	16/1/70	144.76
... and Games	16/1/70	135.72
... Equipment	16/1/70	162.74
...trial Group	31/12/70	128.20
...llaneous Financial	31/12/70	120.06
...ther	10/4/62	100.00

† Redemption yield.

F.T.-Actuaries indices are calculated by Extel-Communications Limited (a member of the Exchange Telegraph Group) on an IBM 360 computer.

A current list of constituents of the F.T.-Actuaries Share Indices can be obtained from the Publisher, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p. By post inland 16p. Commonwealth 16p. Foreign 19p.

CONSTITUENT CHANGES: Myers (J.) (Stores) has been replaced by Peters (J.) (Furnishings) and Singer and Friedlander (Merchant Banks) has been replaced by Matthews Wrightson (Insurance Brokers). Cavenham Foods is now Cavenham (Food Manufacturing).

...rsrust Platinums (R0.02½) 164:
...R Brand (R0.50) 480 75
...t Steyn (R0.50) 234 3 28: 30
...ines Hldgs. (R0.50) 790
...ines (R1) 1850 30
...election Corpn. (R0.50) 6000
...na (R1) 530 271 20: 35 25: 7
... Beeork (R0.10) 710 2 3 1 4
...African Land Exploration (R0.35)

...West Africa (20p) 130
...l Hldgs. (R0.50) 1550. Opt. Certs

City Country Props. (10p) 37½0 8 ¼ 9
City Wall Props. (25p) 1790 6 7
Cornwall Props. Hldgs. 740
Country New Town Props. (10p) 34 ½ 3½
Daejan Hldgs. (25p) 62½0
Dares Ests. 8pcUnsec.Ln. 55
Edger Invests. (25p) 2060 100 6½0 120 50 16: 18: 19: 16 11 12 13 14 15 17 14:
Ests. Prop. Invest. (25p) 140. 7¼pcUnsec. Ln. 1989-92 750 ¼0 10.4pc1stMt.Db.
Euston Centre Props. 105½0

Golden Hope (10p) 41 ¼
Guthrie 202:0 3 2 5. 7¼pcLn. 81½
Highlands Lowlands Para (10p) 37
Kuala Lumpur-Kepong Amalg. (10p) 23½0
Kulim Group (10p) 250 4½: 5½. 10½pc Cnv. 5 6 5: 4
Laras (Sumatra) Ests. 5pcDb. (Reg.) (90) 51
London Asiatic Prod. (10p) 41½
London Sumatra Plantns. (10p) 15½ 16¼
Malayalam Plantns. (10p) 13¾
Marawan (Java) Plantns. (10p) 17½
Merlimau Pegoh (10p) 18½0
Pataling Ests. (10p) 40½0 ¾0 40

Argo Investment 54:
Aust. Consol. Industries 65
Assoc. Aust. Oil 61
Acmex Holdings 7½
Atlantic Richfield $3 Cum. Conv. Pref. £61
Barsab 32½
Bank of N.S.W. (Aust. Reg.) 2720
Black Decker £37½0
B.P. Oil and Gas 3520 49 8
Bridge Oil (20 cents) 13¼0 ½0 14½0 ¼0 12½0 14¼ ¾: 14 ½: ½ ¼
Do. (5 cents) 7½0 ½0 8
Basin Oil 110 ½ 12
Bounty Oil 1½
Bow Valley Industries £13⅞

West African (1)

Diamond (67)

OIL (25)

PROPERTY (387)

SHIPPING (133)

TEA & COFFEE (17)

TRAMWAYS & OMNIBUS (5)

WATERWORKS (8)

RUBBER (100)

SPECIAL LIST

AUGUST 19 (4)

RULE 163 (1) (e)

Bargains marked under Rule 163 (1) (e) in securities for which quotation has not been granted and which are not recorded in the Official List.

AUGUST 19

CORAL INDEX
Close 403-408

Option Report and three-month "Call" rates

OPTION DEALING DATES

First Deal-ings	Last Deal-ings	Last Declara-tion	For Settle-ment
Aug. 17	Aug. 31	Nov. 11	Nov. 23
Sept. 1	Sept. 13	Nov. 25	Dec. 7
Sept. 14	Sept. 27	Dec. 9	Dec. 21

Trading was fairly quiet yesterday in the Option market and declarations were also on the quiet side. "Calls" were taken out in Rio Tinto-Zinc, De Beers, British Petroleum, Hampton Areas, GRA Property Trust, Barclay Securities, British Leyland, BSA, Thos. Tilling, Woolworth, ICI, Shell Transport, Charter Cons., Cannon Street Investments, Diploma Investments, Lonrho and Country and New Town.

No "doubles" were reported, but "puts" were arranged in Plessey and Shell Transport.

Prices in pence unless otherwise indicated

Industrials						Mines	
A. P. Cement	18	G.U.S. "A"	22	Reed Intl.	12	Anglo Amer.	25
Barclays Bank	35	Guardian	14	Slater Walker	20	Broken Hill Prop.	[illegible]
Beecham	18	Guest Keen	30	Tesco	5	Charter Cons.	22
Boots Drug	11	Hawker Sidd.	20	Thorn 'A'	25	Charterhall Fin.	6
Bowaters	15	Hay's Wharf	30	Tube Invs.	25	Cons. Gold	20
B.A.T.	20	House of Fraser	17	Unilever	20	De Beers Def.	[illegible]
British Leyland	3	I.C.I.	15	Utd. Drapery	15	F. S. Geduld	52
British Oxygen	5	"Imps"	6	Vickers	7	Great Boulder	20
Burton "A"	15	I.C.L.	30	Woolworth	5	Hampton Areas	15
Butlin's	5	Int. Stores	7			Hampton Props.	9
Cadbury's	7	Inveresk Paper	5	Property		Kloof	20
Courtaulds	10	Jessel Secs.	25	Cap. Counties	12	Lonrho	10
Cunard	15	Legal & General	22	Land Secs.	12	Loraine	5
Debenhams	14	Lloyds Bank	35	Peachey	7	Metals Explor.	26
Distillers	11	"Lots"	7	Star (Gt. Brit.)	20	Newmetal	5
Dunlop	15	"Mams"	12	Town & City	12	Poseidon	£2½
EMI	12	Marks & Spencer	18	Town & Comm.	14	Pres. Steyn	20
Fisons	19	Metal Box	32			Rio-T.Zinc	15
G.R.A. Trust	12	Midland Bank	35	Oils		Welkom	12
Gen. Accident	12	Nat West Bank	35	Brit. Petroleum	35	West Areas	9
General Electric	[illegible]	P.&O. Defd.	15	Burmah Oil	[illegible]	Western M'ng	20
Glaxo	25	Plessey	10	Oil Search	4	Zambia Copper	[illegible]
		Ralli Intl.	11	Shell	[illegible]		
		Rank Org. "A"	47	Ultramar	[illegible]		

REGIONAL MARKETS

Some bear covering gave markets a slightly better appearance yesterday.

Bank of Ireland gained 5p to 370 on the Irish Stock Exchange, where Crowe Wilson added 2p at 82p and Britain Group put on 1½p to 14p. Tonge McGloughlin rose 4p to 29p and Bolands recovered 1p to 29p.

On the Midlands and Western SE, British Printing at 23p and G. B. Britton at 28p each put on 1½p, but British Dredging at 75p and UBM, 135p, were each down 2p. Cadbury-Schweppes lost 1½p to 83p, while Bowyers, 161p, and John James, 32p, each shed 1p.

Newley and Taylor added 10p at 155p, while a rise of 3½p took Enots to 9½p. Bamfords lost ½p to 22½p.

Gains of 1½p were recorded by AB Electronics at 97½p and Sovereign Securities at 92½p, while Avana put on 1p to 12½p. Reardon Smith fell 8p to 53p, Smith's Enterprises dropped 6p to 130p, Sanders Valve lost 3p to 157p, Delyn eased 1½p to 46p and John Williams gave way 1p to 47½p.

On the Northern Exchange, A. S. Henry were a particularly bright spot on the bid from UDS and closed 14p better at 70½p. Elsewhere in Stores, Grattan eased another 2½p to 258p, Empire lost 2p to 312p, as did William Morrison to 58p. John Peters lost 1½p to 133p and Stylo Shoes shed another 1p to 50½p.

Anchor Chemicals were up 3p at 75 on their interim figures and the chairman's statement, Allied Colloids also hardened 3p to 150½p and Yorkshire Chemicals rose 2p to 222p. Associated Foods fell 11½p to 89½p on the final report. Northern Dairies shed another 1½p to 110, but Rowntree Macintosh further improved 3p to 512½p on Press comment. Norwest Holts were up 3p to 126½p on the final report but Cussons were down 4p to 45, after 41p, on their reduction in profits. Smith and Matthew lost 4½p to 67½p following their interim, but Wilkinsons Transport were at a new high for the year at 201p following the increased dividend.

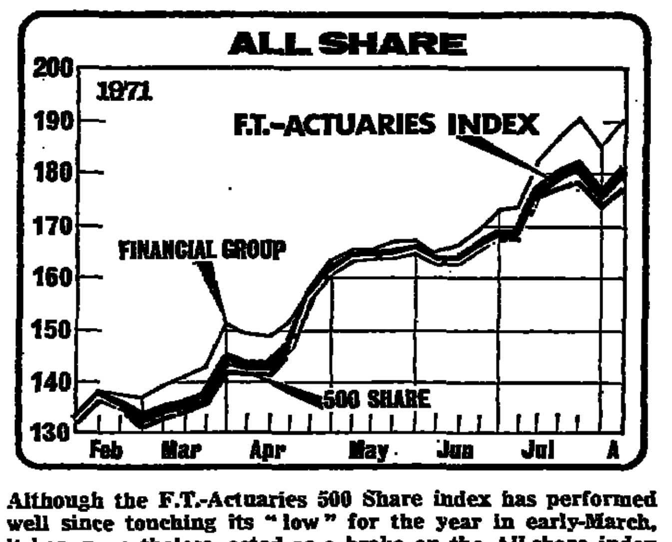
Lloyds Retailers slipped 2p to 33½p ahead of the report, and Northern Developments lost another 3½p to 240½p in front of the meeting.

Samuel Webster put on 3p to 310p and H. Brammer advanced 5p to 155p. Tate of Leeds were off 2p at 35p.

On the Scottish SE, Babcock and Wilcox rose 6p to 262p. Nairn Williamson added 5p at 110½p and National Commercial Bank were up 3p to 149p. Gains of 1p were seen in Highland Distilleries at 167p, Teacher Distillers 239p, Howden Group 68p and House of Fraser 185p. John Brown shed 2½p to 147½p, while William Baird at 134½p and Golberg at 114p each lost 3p. Argyle Securities dropped 5p to 66p.

Prices in pence and denominations of 25p unless otherwise stated

Stock	Price	Change
BELFAST		
B'fastC5½%197?	£96	......
B'fast Rope £1	75	......
Hughes (B) £1	150	......
Vulcanite	107	......
IRISH EXCHANGES		
Exch-6% (80/85)	£74.67	......
Alliance Gas £1	95½	......
Cement Road	65	......
Cloud'lkn Pr.	54	......
Goodbody £1	[illegible]	......
Goulding	50	+½
Hatton (Bldgs)	60	......
Irish Distillers	105	......
Irish Wire Bds	73½	......
Jacob	46	......
Silvermines (5p)	21	......
Smith Group	55	......
Sunbeam	46	......
Unidare	26½	......
W'ford Glass 5p	61	......
MIDLANDS & WESTERN		
B'ham Post A.	48½	......
Castings 10p	29	......
Clough (A) 5p	14	......
Dunn W.H. 10p	10	......
Keons (10p)	29½	......
Evans Frdk 10p	32	......
Evered	50	......
Fordham Bd 5p	40½	......
Frost & Reed 50p	[illegible]	......
Gardiner £1	70xr	......
Gordan J. S.	12½	......
Craig Ship £1	290	+2
Hal'm S'gh 10p	10½	......
Hill (Chals) £	142½	......
Kleen-e-ze	47½	......
Lovell's Ship £1	80	......
Lye Tr'ding 10p	22½ xd	......
Pearce C. H.	40	......
Penarth, Eng.	55	......
Sindall (Wm)	43	......
Smith (Herm)	10	......
Supra Chem.	42½	......
Vincent (H.)	44½	......
Watsham's	25	......
Wykes (Leic) 10p	28	......
NORTHERN EXCHANGE		
Albany Inv 20p	39	......
Ash Spinning	34	......
Belgrave M 2½p	5	......
Bibby & Baron	40	......
Booth Cnsn 10p	15	......
Brady (G)	92	......
Braime (T & J)	40	......
Bridgw'r Est 50p	185	......
Brit. Nth'p (50p)	46	......
Burnett & H	46	......
Bury Ring (20p)	[illegible]	......
Clover Croft	25	......
Cromer Ring £1	54 xd	......
Dyson R.A. 'A'	40	......
Ellenroad	39	......
Eng. Nat Inv £1	49	......
Era Ring	18	......
Gandy	32½	......
Gardner (L.)	170	......
Gauns (Rich)	22½	......
Heaton Wm 10p	5	......
Higsons Brew	115½	......
Hinton R d20	[illegible]	......
Holt (Joseph) £1	500	......
Ingham (G) 10p	105	......
I.O.M. Stm. £1	125	......
Ketton Cem. £1	405	......
L'pool Grain £1	100	......
Man. Canal £1	250½	—½
Mont H. & Son	[illegible]	......
Nicholas Vim.	125	......
Nthn. Goldsmith	60	+1
P.M.A.	80	......
Peel Mills	11	......
Sayer Conf 12½p	42½	......
Swan Ln Sp 33⅓p	13	......
Taven'r Rut 20p	56	......
Tyrack (W) 10p	25½	......
Wood (Ed.)	5¾	......
Wo'dw'd H 12½p	42½	......
Yorks Spin 20p	15	......
SCOTTISH EXCHANGE		
Atlas Pl'ss'e 10p	10	......
Bronton (M)	83½	......
Clyde Paper	7	—1½
Coltness Ind	18½ xd	......
Craig & Rose £1	[illegible]	......
Dalm're White	32	......
Dykes	150	......
Galloway (J)	6¾	......
Hill & Wylie	51½	......
Lees (J.J.) (10p)	25	......
Mackinnon	75	......
Morrison & G.	11¼	......
Richards (5p)	18	......
Scotcros	34½	......
United Wire	38	......



Although the F.T.-Actuaries 500 Share index has performed well since touching its "low" for the year in early-March, it has, nevertheless, acted as a brake on the All-share index since the start of the year. Over this period the 500 has gained 27 per cent. to date, which rise looks quite pale compared with a jump of 43 per cent. in the Financial Group. Thus the Financial Group's better performance has helped the All-share index, which is currently a little over 30 per cent. up.

NEW "HIGHS" AND "LOWS" FOR 1971

The following securities (number in parentheses) among those quoted in London Closing Prices yesterday attained new "highs" and "lows" for 1971:—

NEW "HIGHS" (84)

BRITISH FUNDS (10)
Electric 3pc '68-73, Elect. 3½pc '76-79, Trans. 3pc '68-73, Treas. 3½pc '77-80, Trans. 4pc '72-77, Funds. 5½pc '78-80, Excheq. 5pc '76-78, Treas. 3½pc '79-81, Elect. 4¼pc '74-79, Treas. 8½pc '84-86

COMMONWEALTH & AFRICANS (1)
N. Zealand 6pc 1972

PUBLIC BOARDS (1)
APC 10¼pc Deb. '94-99

CANADIANS (2)
Imperial Oil, Bank of Montreal

BANKS (4)
Clive Holdings, Cattles Holdings, Union Discount, F.C. Finance

BEERS (2)
Baird (Hugh), City Lon. Defd.

BUILDINGS (10)
Foster (H.), Parker Timber, Harris (M. P.), R.M.C., Kier (J. L.), Reeves (F. J.), Mallinson (Wm.), SGB Group, Norwest Holst, Travis & Arnold

CHEMICALS (1)
Yorks. Chem.

CINEMAS (1)
Grampian "A"

DRAPERY AND STORES (3)
Crowe Wilson, Preedy (Alfred), Henry (A. & S.)

ELECTRICALS (3)
Audio Fidelity, M.K. Electric, Dubilier

ENGINEERING (4)
Hill & Smith, Staveley Inds., Massey (R. B.), Steel Group

FOODS (8)
Bassett (George), Richardson (A.), Clifford Dairies, Rowntree Mackintosh, Clifford Dairies "A", Scot Meat Prods., Martin (J.), United Biscuits

INDUSTRIALS (14)
Bremner, Hofmung, Courtney Pope, Maynards, Cowan De Groot, Nairn Williamson, Cowan De Groot A, Paterson-Zochonis, European Ferries, Photopia Int., Gripperods, Richards Bros., Hestair, Utd. Industrial

INSURANCE (1)
Refuge "B"

MOTORS (2)
Bluemel Bros., Gates (F. G.)

NEWSPAPERS (1)
Morgan-Grampian

PROPERTY (2)
Edger Inv., Trafford Park

SHOES (1)
Norvic Shoe

TEXTILES (1)
Tomkinson

TRUSTS (10)
Ashbourne Inv., Fundinvest, City and Com., Leda Cap., Dualvest Inc., London Invest., Equity Consort, Triplevest Inc., Flag Invest., Drakes

UTILITIES (2)
Imp. Cont. Gas, Perak River

NEW "LOWS" (25)

LONDON U.S. DOLLARS (2)
Takeda 6pc 1984, Toray 6¼pc 1978

BANKS (2)
Aust. & N.Z., Burston Group

ELECTRICALS (1)
Advance Electronic

INDUSTRIALS (5)
Bydand, Mettoy, G.R. (Holdings), Silhouette "A", Lines Bros.

SHIPPING (2)
Reardon Smith, Reardon Smith "A"

MINES (13)
Buffels., Gt. Boulder, Libanon, M.I.M. Hldgs., Western Deep, North Broken Hill, Pres. Brand, North Kalgurli, Middle Wits., Peko-Wallsend, Union Corpn., Scamander, De Beers Defd.

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	17	4	25
Corpns. Dom. and Foreign Bonds	4	10	119
Industrials	230	429	1,052
Financial & Prop.	68	183	288
Oils	9	8	13
Plantations	6	4	77
Mines	8	68	105
Recent Issues	8	11	90
Totals	350	717	1,769

British shipping hits £380m. record for invisible earnings

BY JAMES McDONALD, SHIPPING CORRESPONDENT

BRITISH-OWNED and registered ships achieved a new record in invisible earnings last year. They *contributed an estimated £380m.* net to the U.K. balance of payments in 1970—£80m. more than the previous record in 1969, according to provisional figures published to-day by the U.K. Chamber of Shipping.

The net contribution of U.K. ships to the balance of payments has more than doubled since 1966, when it stood at £183m.

Large savers

Both the tanker and dry-cargo sectors of the U.K. fleet showed increases in their direct contribution last year, compared with 1969. The Chamber points out that British ships are large savers as well as earners of foreign currency.

"Last year they earned some £314m. from import freights, passenger money collected in the U.K. and time-charter hire from U.K. non-shipowners, in addition to their direct net overseas earnings of £380m. in export voyages and cross trades."

Mr. John Kirby, president of the Chamber, commented yesterday: "These are excellent figures. They are very good for the industry and for the country. For, what most clearly emerges is just how important investment in U.K. ships is for the national economy."

Statistics have also been compiled for the shipping industry which take account not only of U.K. ship earnings but also of earnings of foreign ships chartered in by British owners to supplement their own tonnage. Last year, on this basis, the industry's net contribution to the balance of payments was estimated at £132m., compared with £145m. in 1969.

Upsurge

Commenting on these figures, Mr. Kirby said: "The main reason for the fall was that freight receipts from foreign chartered ships—mainly oil tankers—did not reflect the upsurge in charter rates last year."

The following table shows *British shipping's invisible exports* contribution over the past five years:—

INVISIBLE EXPORTS—U.K. SHIPS

	1966 Total £M	1967 Total £M	1968 Total £M	1969 Total £M	1970 Total £M
1. Total receipts (freight, passenger revenue and charter receipts from abroad and from U.K. non-shipowners)	633	699	798	822	1,049
2. Receipts from abroad (exports and cross-voyage freights; passenger revenue collected abroad; time-charter hire from abroad)	424	472	551	574	735
3. *Disbursements abroad* (includes bunkers, canal dues; port and other expenses)	241	239	260	273	355
4. Direct contribution to invisible exports (receipts from abroad less disbursements abroad)	183	233	291	301	380

NB—U.K. ships are ships owned and registered in the U.K.

Some chipboards freed from anti-dumping order

FINANCIAL TIMES REPORTER

CERTAIN specialist boards are to be exempted from the provisional anti-dumping order on unlaminated wood chipboard imports imposed on July 8.

The exceptions, allowed from to-day, are integrally tongued and grooved chipboard not less than 18 mm. thick and not more than 22 mm. from the original definition, and wood chipboard without surface lamination of a thickness of 8 mm. or less.

The move follows a storm of *protest from the Timber Trade* Federation, representing timber importers to the U.K., at the original order which affects 13 named producers in Sweden, Norway, Finland and Ireland. The Federation vigorously refuted the charges of dumping.

Now, two more producers, both from Portugal, have been added by the Department of Trade and Industry to the list of those having to pay provisional anti-dumping charges, which count as a deposit on any duty which may be imposed.

Meanwhile, the DTI revealed yesterday, it is considering an application for the imposition of anti-dumping duties on imports from Austria of ballotini glass grains, 0.25 mm. to 1.60 mm. in diameter.

These are small glass balls used in the manufacture of road-marking thermoplastics—a liquid used for marking lines.

Representations in connection with the application must be made to the DTI by September 9. A statement of the applicants' case is available on a strictly confidential basis.

ACTIVE STOCKS

Prices in pence except where otherwise indicated.

Stock	Denomination	No. of marks	Closing price	Change on day	1971 high	1971 low
Imp. Chem. Inds.	£1	22	321	+ 7	330	230
Brit. Petroleum	£1	15	580	− 2	628	403
Burmah Oil	£1	15	425	—	477	297½
Shell Transport	25p	14	388	+ 1	426	327
Courtaulds	25p	12	126	+ 4	136	107
Marks & Spencer	25p	12	299	+ 3	308	194½
Thorn Elect. "A"	25p	12	402	+ 8	416	256
Commercial Union	25p	11	454	+ 4	480	320
De Beers Defd.	R0.05	11	198	− 3	258	198
Edger Invs.	25p	11	211	+ 4	216	83½
Reed International	£1	11	217	+ 4	236	121
Unilever	25p	11	326	+ 1	340	215
Bovril	£1	10	464	− 1	482½	172½
GUS "A"	25p	10	402	+ 1	439	271
Sears "A"	25p	10	134	+ 4	161	88½

The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163(1)(e) and reproduced to-day in Stock Exchange dealings.

SHARE INFORMATION SERVICE: NOTES

F.T. SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

[illegible]

Five to Fifteen Years

[illegible]

Over Fifteen Years

[illegible]

Undated

[illegible]

INTERNATIONAL BANK

[illegible]

CORPORATION LOANS

[illegible]

COMMONWEALTH AND AFRICAN LOANS

[illegible]

PUBLIC BOARD AND OTHER LOANS

[illegible]

Corporation Short-dated Bonds

[illegible]

FOREIGN BONDS & RAILS

[illegible]

London U.S. Dollar and DM Issues

[illegible]

AMERICANS

[illegible]

S.E. List Premium [illegible]

CANADIANS

[illegible]

S.E. List Premium [illegible]

BANKS AND HIRE PURCHASE

†† Banks, etc.

[illegible]

Hire Purchase, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER & ROADS

[illegible]

BUILDING INDUSTRY—Continued

[illegible]

CHEMICALS, PLASTICS, ETC.

[illegible]

CINEMAS, THEATRES AND TV

[illegible]

DRAPERY AND STORES

[illegible]

DRAPERY AND STORES—Continued

[illegible]

ELECTRICAL AND RADIO

[illegible]

ENGINEERING AND METAL

[illegible]

ENGINEERING AND METAL—General—Contd

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

HOTELS AND CATERERS

[illegible]

HOTELS AND CATERERS—Continued

[illegible]

INDUSTRIALS (Miscell.)

[illegible]

"Recent Issues" and "Rights" Page

هكذا من الأصل

INDUSTRIAL (Miscell.)—Continued

†† INSURANCE

MACHINE TOOLS

MOTOR, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Aircraft

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING, ADVERTISING

PROPERTY

PROPERTY—Continued

SHIPBUILDERS, REPAIRERS

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

STEELS

TEXTILES—GENERAL

TEXTILES—WOOL

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

Finance, Land, etc.

UTILITIES

OILS

RUBBERS—MALAYSIAN

RUBBERS—MISCELLANEOUS

SISAL

TEAS

India and Pakistan

TEAS—Continued

Ceylon—

MINES—CENTRAL RAND

EASTERN RAND

FAR WEST RAND

O.F.S.

FINANCE

DIAMOND

PLATINUM

CENTRAL AFRICAN

AUSTRALIANS

TIN—EASTERN

TIN—NIGERIAN

TIN—MISCELLANEOUS

COPPER

MISCELLANEOUS

7⅞	5	Burma Mine (17½p)	6½	......	—	—	—
28	17½	Cont. Prov Mn(12½p)	21	......	‡a10	φ	10.1
31	13	Charterhall (5p).....	13½	......	—	—	—
612½	375	Cons. Murch (10c).	385	—15	‡80c	2.1	‡
£80	£73¾	G. F. Mg. Ind. Db.	£80	......	7¼	88.0	e10.8
560	405	Northgate (C$1).....	420	—10	60c	2.2	5.0
270	210	R.T.Z.	215	+1	24	1.8	2.8
285	89⅝	Sabina Mines (C$1)	220	......	—	—	—

For Notes, see Stock Exchange Dealings.

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THE LEX COLUMN

Index rose 2.4 to 405.1

Fresh hope for the composites

By yesterday it appeared that the first wave of shareholders susceptible to world monetary fears had done with their selling, though the late rise in the index may have exaggerated the broad market trend. In the insurance sector, however, there was solid news to account for a quick change of heart for the better. Apprehension held the sector in front of the results from Royal and gave way to relief on a second quarter underwriting profit of £5.3m. against £2.5m. — appreciably better than Commercial Union's showing. Thus Royal ended 11p up at 379p after 3p down, leading GA up 3p on the day to 189p after 181p.

CU's problem was motor business in Western Europe: it is clear that Royal's exposure in the danger areas—Austria and Germany—has been minimal. The U.S., meanwhile, has gone back slightly (by £300,000) after accounting for virtually the whole of the first quarter's £1.6m. underwriting improvement. Canada (about 11 per cent. of premiums) clearly did appreciably better in the second quarter, but since Australia (6 per cent.) did worse and the rest of the world only accounts for 12 per cent. of premiums, it would seem that the U.K. must have been responsible for a good slice of the £2.8m. improvement in this quarter.

For what the omens of a single quarter's results are worth, they should be good for GA, with its much greater commitment to U.S. motor business. That is known to be the major recovery area there, and the market's doubts of late have concerned the U.K. motor market—admittedly not a major one for Royal. As for Royal, a rise of 40 per cent. in first half pre-tax profits to £20.5m. should allow earnings targets to be upgraded to 24-5p a share (against 19p), dropping the prospective p/e to 16.

See also Page 19

Ada (Halifax)

The Ada (Halifax) accounts take its TV rental misery one step further the only comfort being that Philips, the parent company, is so demonstrably anxious to protect its U.K. outlets. Back in 1969, Ada transferred a big lump of its retailing operation to Loyds Retailers, now 69 per cent. owned: it now transpires that Loyds' rental accounting basis—on to which the Ada business was switched — was substantially less conservative than Ada realised — valuing sets on future rental income rather than on depreciated cost. By the end of 1970, switching to Ada's basis would have left Loyds' rental side with a deficiency of assets running to £5.7m.—and Philips has picked up the tab by acquiring the bulk of Loyds' rental assets.

Loyds' losses since June last year are still not published: there are doubts about the basis of bad debt provisions in Ada's associated finance companies and the two together require a provision of £500,000 in Ada's 1970 figures. Meantime, Ada's remaining retail outlets have, like Loyds, been overextended by grandiose regional organisations which failed to meet sales targets: the performance both here and in the manufacturing side is well down this year. We are left with a market capitalisation of £13.2m., and the thought that the Philips link is a sounder support than hopes that the retailing side will be in the black in a year's time.

See also Page 20

Steel Group

Steel Group was looking for at lease £3.1m. pre-tax last year against 1969-70's £2.17m. In the event, it has produced £3.35m., and the current year picture also looks cheerier than might have been expected, with a marginal increase forecast in first half profits and hopes that contracts currently under negotiation will mean a "worthwhile" trading performance overall. Last year took in the strongest leg of the mobile crane cycle, where Steel is far and away the U.K. market leader: that was geared up by capacity increases and shorter delivery dates, but the recent signs have been that the cycle was very definitely peaking out.

The rise in industry deliveries was already beginning to slow down in the second half of Steel's year, and order books followed suit with a 10 per cent. fall at the end of the first quarter of calendar 1971. Moreover there is a continuing trend towards a higher exports mix—Steel's overseas sales jumped from 30 to 49 per cent. of the total last year—and that means pressure on margins.

The props, then, may be unquantified loss elimination in South Africa, now disposed of, and the scope for higher returns in areas like Germany or Priestman's construction equipment. The shares at 145p must already have been aware of the risks this year, and to that extent a p/e of 9½ looks firm enough for the moment.

See also Page 18

The Truman Trio

Yesterday saw minor initiatives from both sides of the battle for Truman Hanbury, but it is hard to see either having much impact on the outcome. The missive from the Watney-assented directors of Truman basically implies a choice between staying with brewing or throwing in with a conglomerate; understandably, perhaps, the success of Mr. Joseph's particular conglomerate is not emphasised. Grand Met., meanwhile, also did the expected by topping up its bid to 453p a share with 15p of cash or loan stock. Given the small gains tax liability in the Watney effort, there is little to choose between the two bids in price terms.

However, there was a lead for some Truman shareholders yesterday—and that from the "Pru," of all people. The fact that half the Pru's stake went to Watney, and the other half to GMH probably signifies merely that it could not get a better price for selling the whole block to one side. That it sold in the market for cash, however—with Truman rising 3p to 459p—implies a wariness of paper from either side when cash is readily available. Shareholders without gains tax problems should take note.

Weather

U.K. TO-DAY

Scotland and N. Ireland will be mostly dry and sunny. England and Wales will have variable amounts of cloud.

There will be sunny spells in many areas but also outbreaks of rain which may be thundery at times.

S.E., Cent. S. and S.W. England
Rather cloudy with fog patches chiefly near the South coast. Some sunny spells, particularly inland. Rain in places, perhaps thundery. Wind light variable. Max. 26C (79F), cooler on coasts.

Channel Isles
Mist and fog patches. Occasional rain, perhaps thundery. Wind light variable. Max. (61F).

London; E. Anglia; Midlands; E., N.W. and Cent. N. Eng.;
Variable amounts of cloud. Some breaks of rain, perhaps thundery but also some sunny spells. Wind E. light or moderate. Max. (72F).

Lake Dist.; Isle of Man; N.E. Eng.; Borders; E. and S.W. Scotland; Edinburgh; Glasgow; Cent. Highlands; Dundee; Argyll; N. Ireland
Mostly dry and sunny. Wind variable. Max. 20C (68F).

Caithness; N.W. Scot.; Orkney; Shetland
Rather cloudy with a little rain. Wind S.W. or variable light. 16C (61F).

Outlook: Outbreaks of thundery rain at first, particularly in otherwise mostly dry.

BUSINESS CENTRES

		Y'day Mid-day °C	°F				
Amstrdm.	S	26	79	Madrid			
Bahrain	S	39	102	Manchstr.			
Beirut	F	30	86	Melbourne			
Belfast	C	18	64	Milan			
Belgrade	S	26	79	Montreal			
Berlin	F	28	82	Moscow			
Birmchm.	C	17	63	Munich			
Bristol	D	16	61	Newcastle			
Brussels	F	26	79	New York			
Budapest	F	27	81	Oslo			
B. Aires	S	18	65	Paris			
Cairo	S	26	80	Prague			
Cardiff	C	17	63	Reykjavik			
Cologne	F	30	86	Rio de J'o			
Copnhagn.	S	22	72	Rome			
Dublin	R	15	59	Singapore			
Edinb'rch	C	15	59	Stockholm			
Frankfurt	F	30	86	Strasbourg			
Geneva	C	30	86	Sydney			
Glasgow	C	19	66	Tehran			
Helsinki	F	20	68	Tel Aviv			
H. Kong	S	29	84	Tokyo			
Jo'burg	S	21	69	Toronto			
Lisbon	F	23	73	Vienna			
London	S	25	77	Warsaw			
Luxembrg.	S	28	82	Zurich			

HOLIDAY RESORTS

		Y'day Mid-day °C	°F				
Ajaccio	S	31	88	Jersey			
Algiers	S	33	91	Las Plms.			
Athens	S	29	84	Locarno			
Barcelona	C	28	82	Luxor			
Bergen	S	17	63	Majorca			
Biarritz	C	22	72	Malaga			
Blackpool	C	19	66	Malta			
Bordeaux	S	25	77	Nairobi			
Boulogne	C	20	68	Naples			
Casablnca.	F	23	73	Nice			
Cape Tn.	C	10	51	Nicosia			
Faro	S	27	81	Oporto			
Florence	S	34	93	Salzburg			
Funchal	S	23	73	St. Moritz			
Gibraltar	S	29	84	Tangier			
Guernsey	C	18	64	Tenerife			
Innsbruck	S	29	84	Tunis			
Inverness	S	20	68	Valencia			
I. of Man	F	19	66	Venice			
Istanbul	C	28	82				

S—Sunny. F—Fair. C—Cloudy. D—Drizzle. R—Rain.

Requiem for poor Bretton Woods

BY JOHN GRAHAM

A SECRET document, circulating surreptitiously within the International Monetary Fund, fell by chance into the hands of the Financial Times yesterday. It reads as follows:

"R.I.P. We regretfully announce the not unexpected passing away after a long illness of Bretton Woods, at 9.00 p.m. last Sunday.

"Bretton was born in New Hampshire in 1944, and died a few days after his 27th birthday. Although abandoned by some of his parents in infancy, he was a sturdy lad and was expected to survive. Alas, in the early 1960s liquidity anaemia set in. This was somewhat relieved by an infusion of G.A.B. (Gogo Assistance Booster), though this was restricted to ten of the largest of his limbs. The smaller members had to be content with shots of compensatory financing."

New hormone

"At Bretton's annual medical check-up in Rio in 1967, it was diagnosed that revitalisation of the organism required the injection of a new fertility hormone, popularly known as 'Super Duper Remedy,' or S.D.R. Despite two successive injections of this experimental drug, his metabolism did not improve as expected.

"Indeed, another disease called stagflation spread over several parts of his body. Moreover, in the last three years, Bretton was periodically subject to speculative fevers, and was unable to maintain an orderly exchange between his constituent organs. In May, 1971, further deterioration in his health was caused by a rupture of ligaments (known as par values) between the body and three of the more important limbs, which began to experience dizziness and sensations of floating. The fatal stroke occurred this month when parasites called speculators inflated his most important member, and caused a rupture of his vital element, dollar - gold convertibility.

"Memorial services will be held in Washington, D.C., on September 27 at the Sheraton Park Hotel. In lieu of gold, the family will accept donations in foreign exchange to support the foundation created by Mr. Woods. No decisions have been taken as to how to allocate these donations among the potential legatees."

Worst crisis

Flippancy aside, the IMF has been set by the ears by the present international crisis. There have been crises before, of course, and the older staff members recognise that there will always be a role for the Fund to play, and that the Fund will be able to raise its voice again when everything has settled down. But no one denies that the present crisis is the worst, and has shown up the relative powerlessness of the institution.

In a sense, there is nothing too surprising in this, since the Fund operates strictly within a framework of international law, and is only as powerful as its members allow it to be.

Take the case of special drawing rights over the last four years. There was no shortage of technical proposals made by the IMF staff, but nothing moved until the need for greater liquidity was given a strong political push by the United States, in particular by Mr Henry Fowler, Secretary of the Treasury. This was followed by Sr. Ossola's synthesis, and then by political pressure on France from the rest of the EEC. Only then, could the scheme be developed and approved.

Since then, individual countries have demonstrated that they can take independent unilateral action, for which the IMF is not equipped to cope. The German float two years ago, and the Canadian float of last year, were both against the wishes and nature of the Fund, but there was nothing constructive the Fund could do except find an acceptable formula to maintain its legalistic credibility. This came as something of a shock, since for some years in the middle and late 1960's the British appeals to the IMF, and the IMF's surveillance of the British economy had given it something of the image of a bogyman.

Lost image

This image has passed away completely, as has much of the Bretton Woods system as initially design. The Fund now must wait for political solutions to evolve in Europe, in Asia, and in the U.S., and since bloc action seems to be moving into favour (both in the U.S. and in Europe), the problems with which the Fund will be presented later this year, or next year, are likely to be as difficult as anything that has happened so far.

The IMF will continue to exist —no doubt of that—but it has been shaken as never before.

Bank eases exchange rule to help importers

BY MICHAEL BLANDEN

THE BANK of England has relaxed one of its foreign exchange rules for the time being in order to help British importers. The continued closure of the foreign exchange markets, it is feared, could have disruptive effects on British international trade. It leaves importers of goods or of raw materials unable to acquire the foreign currency they may need to pay for their purchases.

Limited extent

The Bank has therefore decided, until the foreign exchange markets are open again, to allow authorised banks to lend foreign currencies to U.K. residents and companies in order to cover their outstanding currency liabilities. This in effect is a temporary relaxation of the clampdown on short-term Eurocurrency borrowing by U.K. companies imposed in January, which required a minimum borrowing period of five years.

The relaxation is limited in extent, applying effectively only to current transactions which would normally be given exchange control permission. But it allows the banks to help out hard-pressed customers. At present, the banks report that the relaxation has not had very much impact. But it is felt that if the exchanges remain closed much longer the demand for short-term help could grow rapidly.

While alleviating their problems, the system would still impose a significant cost on companies which took advantage of the relaxation. Borrowers would have to carry the exchange risk of having to buy the necessary currency at whatever rates ruled when the loan was due for repayment.

They would also be paying interest on the loans. On Eurodollars these would be quite costly for fixed periods—running at present around the 8-9 per cent. level for most fixed periods. Some other currencies might be available more cheaply, however; Swiss francs were being quoted at around 3-3½ per cent. yesterday and D-Marks at 5½-6 per cent.

Similar costs may be felt by exporters who at present are unable to exchange their income in foreign currencies into sterling. If as a result they find their liquid resources under pressure, it is suggested, the banks would be willing to lend to them against the security of their currency holdings; but they would be paying interest on the funds as a result of the market closure.

Eden 'sees no future for UCS Mark II'

By Andrew Hargrave

GLASGOW, August 19.

AFTER day-long talks with the Upper Clyde liquidator, trades union officials and shop stewards and an earlier meeting in London with Mr. Vic Feather, TUC general secretary, Sir John Eden, Minister for Industry, made it clear that the Government still saw "no future for a UCS Mark II."

Retaining the existing group as demanded by the shop stewards was not "realistic." And although Sir John was having another late night round with them, one could not see any dramatic coming together of the two sides.

Thet Government, he said, was anxious to create a viable shipbuilding industry on the Upper Clyde as outlined by Mr. John Davies, Secretary of Trade and Industry, in the House of Commons on July 29: and while he was keen on further exploring the broad possibilities of Clydeside Development Authority proposals handed to him by Mr. Feather, this would be without the TUC's suggestion of taking over UCS as it was now.

"We are now moving from the post-UCS phase otwards setting up a new company based on Govan and Linthouse (the two units to be retained under the Government's umbrella)." he said. Thet creation of what he called "an embryo Board" was already on the way to form its nucleus.

The question of contracts in respect of 13 ships suspended shortly after UCS went into liquidation was one of the matters discussed with the liquidator, Mr. Robert Smith. (Mr. Smith said he had tried to keep the contracts for which he had "neither the authority nor the resources to embark," open.) A meeting between Mr. Nicholas Ridley, Parliamentary Under-Secretary at the Departemnt, and the shipowners bad been fixed for Friday next week.

Sir John has also tried to clarify the situation with regard to the talks earlier this week with Mr. Archibald Kelly, a Clydeside industrialist and a potential buyer for the Clydebank yard. Sir John was now awaiting what he called a viable proposition for which a Government contribution could be provided under the local employment acts.

£63 to U.S. is BOAC plan

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

BRITISH Overseas Airways Corporation has an even cheaper "experimental" London-New York scheduled air fare of £63 return that it may be prepared to introduce from February 1 if an "open rate" situation, or fares "free-for-all," emerges on the route.

This compares with the present cheapest economy excursion rate of £113.35, and the £83-£104 (according to season) Advanced Purchase Excursion (APEX) fare that was agreed by a majority of the Atlantic airlines at the recent abortive Montreal fares conference.

The existence of the £63 rate —confirming last Monday's forecast in The Financial Times— was revealed in London yesterday by Mr. Keith Granville, chairman, when he presented the airlines report and accounts for 1970-71.

These accounts confirm earlier forecasts that the airline's operating surplus tumbled in 1970-71 from £31.1m. to £5.9m., and that the net profit after interest and tax was down from £19.3m. to £3.4m.

Mr. Granville made it clear that BOAC did not really want to see an "open rate" situation on the North Atlantic, but that the airline was ready to do battle if one emerged.

In fact, his comments indicate that, no matter whether or not an "open rate" situation does emerge, cheaper fares are virtually certain on the North Atlantic from February 1.

This is because any last minute agreement that still might be achieved could only be on the basis of lower fares, while if an "open rate" situation were to come about most airlines would bring in the cheaper rates they were discussing at Montreal anyway.

As already announced, the Montreal fares conference failed because only one airline, Lufthansa, voted against the package of cheaper rates agreed there. Lufthansa has until September 1 to change its mind. If it does not, the International Air Transport Association must declare an "open rate" situation from February 1.

But Mr. Granville made it clear he was still hopeful that an "open rate" position might be avoided. If Lufthansa held out and did not change its mind, "I would expect the long-haul carriers to meet again under the IATA organisation at chairman-president level early in September to see whether anything further could be done to avoid the 'open-rate' situation.

"If this failed then all the airlines would report the fact to their governments and would inform them of the rates and fares that they wish to charge on the routes concerned.

"BOAC would file with the appropriate governments—U.K., U.S. and Canada—the fares which were agreed at Montreal by all carriers except one. We would expect those governments to accept and approve these fares for BOAC operations on the North Atlantic. There would undoubtedly have to be at least bilateral consultation between the governments concerned.

"BOAC has continued to stick to its guns. The public wants cheap individual fares, preferably on scheduled services, and BOAC is determined the public shall get them.

"Earlybird-type fares applied on the North Atlantic alone, in the manner that BOAC has always envisaged, would mean an extra 50,000 passengers for BOAC in the first full year, rising to 100,000 a year by 1975."

Editorial Comment, Page 16
See also Page 21

Grand Met adds 15p a share to its offer for Truman

BY SANDY McLACHLAN

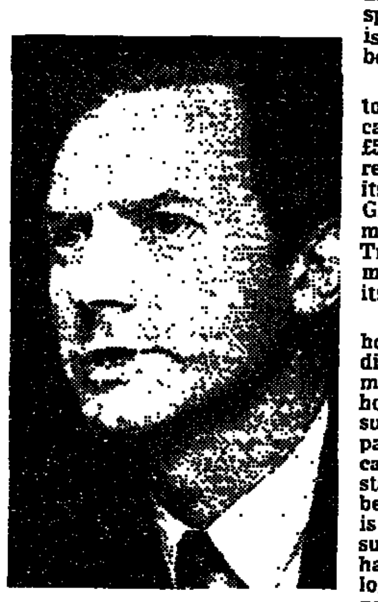
GRAND Metropolitan Hotels yesterday added 15p a share in cash to its offer for Truman Hanbury Buxton. This brings the total value of its offer to 453p a share, compared with the current value of the Watney bid of around 460p.

At the same time, it became apparent yesterday that the Prudential Assurance, largest single outside shareholder, with just under 5 per cent. of the equity, had sold its holding in the market. Maintaining its normal policy of "non-intervention," the Pru split its sales right down the middle between Watney and Grand Met.

The increase in the Grand Met. offer was expected, since it is obliged under Rule 31 of the Takeover Code, to "top up" its offer to the average price paid for shares bought in the market since its last bid was made. And with the fluctuation in the share prices of Grand Met. and Watney during the battle, the City generally seems to agree with Truman's advisers, Morgan Grenfell, that there is very little between the two offers in terms of current value. The point at issue now is what will happen to the shares of the winner, when a winner finally emerges.

At present, the two contestants seem to be almost equally balanced. The two members of the Buxton family on the Truman Board, Mr. Henry Buxton and Mr. Mark Buxton, disagreed with the estimated share split suggested by their cousin, Sir Thomas Buxton, on Wednesday.

Sir Thomas reckoned that of the 15 per cent. Buxton family holding, Mark and Henry Buxton influenced around 4 per cent. Of the rest, he believed that 5 per cent. was already committed to Grand Met, about 3 per cent. through the market and that much of the remaining 6 per cent. would eventually go to Grand Met.



Mr. George Duncan, managing director of Truman.

But yesterday Mr. Henry Buxton calculated the family interests at nearer 16½ per cent. of Truman. Of these, he and Mark Buxton own 3½ per cent. and claim to influence the same against. Around 5 per cent., he thinks, have been sold in the market, leaving something like 4-4½ per cent. floating.

On these calculations, Watney and its advisers, Guinness Mahon, now reckon to have the support of around 40 per cent. of the Truman equity and thinks that Grand Met may have around 35 per cent. Grand Met's advisers, S. G. Warburg, did not want to speculate on its support, but it is thought that 37½ per cent. may be a more realistic figure.

With the Grand Met offer due to close on Monday (although it can, of course, be extended) the £50m. battle for Truman is now reaching its climax. To balance its slightly lower shareholding, Grand Met has the support of the majority of the Board and the Truman financial advisers. It may also gain an advantage from its earlier closing date.

Both sides were active in exhortation yesterday. The four dissenting directors on the Truman Board have circulated shareholders giving their reasons for supporting Watney (in a circular paid for by Truman). Their case is roughly as it has been stated in the past: they do not believe the redundancy question is as big a problem as has been suggested and feel that Watney has the edge on commercial logic, given the rationalisation potential between the two groups.

Meanwhile, Warburg's on behalf of Grand Met, has circulated shareholders with the new Grand Met offer and emphasised the capital gains tax liability which would be incurred by accepting the Watney offer.

The shares of the three groups were not much changed yesterday. Truman rose 3p to 459p, while Watney put on 1p to 123p. Grand Met remained unchanged at 184p.

£2.2m. drop in market value of Lines

By Nicholas Leslie

A £2.2m. PLUNGE in the market value of Lines Bros., the Triang and Meccano toys and Pedigree prams group, followed the news that the company was to go into voluntary liquidation. At the close yesterday, the Lines shares stood at 5p, after a low of 2p, which left them 22p down on the day and standing at one-fifth their nominal value. Lines is now capitalised at £500,000, compared with £18m. in 1968.

Already, steps have been taken to wind up the company. The Lines directors have proposed Mr. Paul Shewall, a partner with accountants Cooper Brothers, as liquidator and this appointment should come into effect, subject to the approval of the main creditors.

Two of the main creditors are Lloyds Bank and Midland Bank. Yesterday, both stressed that their decision to call in between £5m. and £6m. of loans came after the Lines Board had decided on liquidation.

Interest has already been shown in what might be salvaged from Lines' operations. Mr. John Bentley, chairman of Barclay Securities, is understood to have been discussing the situation with directors of his two toy subsidiaries, Chad Valley and Sebel. Two other possibilities are Mettoy and Airfix Industries.

In addition, one of Lines main competitors, Lesney, may cast an eye at some of the Lines brand names. Lesney's shares showed resilience yesterday in the face of the Lines collapse with its shares dipping only 2p to 34p.

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Mintoff may seek urgent cash

BY OUR OWN CORRESPONDENT

VALLETTA, August 19.

LORD Carrington, the British Defence Secretary, arrived here this evening to attempt to hammer out a financial arrangement acceptable to both Britain and Malta. He was met by Dr. Joseph Cassar, the Minister for Labour, instead of Malta's Deputy Premier Dr. Anton Buttieg.

It is understood here that Mr. Dom Mintoff, the Prime Minister, will be seeking, when he meets Lord Carrington to-morrow morning, access to urgently required cash resources. The island's coffers can at present hardly meet salaries, wages and pension commitments, as a result—or so he claimed this week—of overspending by the previous, Nationalist administration.

It is expected that the major obstacles between the two sides may have been cleared by Saturday, when Lord Carrington is due to return to London. Once this has been done, Ministry of Defence officials could be left behind to work out details of a new agreement.

The joint British-NATO offer stands at a total of £8.5m. a year, of which £3.5m. would be in the form of British development aid. There is also the chance of further aid being offered from the NATO countries.

Mr. Mintoff will, of course, be considering this offer in the light of the conversations he has just had in Tripoli with the Libyan leaders. Some sort of agreement may be signed with President Ghaddafi—though he is reported to have warned Mr. Mintoff against accepting any cash offers that may have been made by the Soviet Ambassador, Mr. Mikhail Smirnovsky.

According to some sources, the Libyans are believed to have made it clear that they will only give aid to Mr. Mintoff if there are no foreign forces on the island.

Lord Carrington will thus want to clarify just what the Libyan conditions are. These could include handing over to Libya air traffic control of nearly a million miles of air space, stretching down to the Sudan, now controlled from Malta. President Ghaddafi would undoubtedly pay a high price to be able to say which flights could come into this space—a move which at the same time would greatly boost Libya's image in the Arab world.

Meanwhile, the flags were ceremonially hauled down at NATO's Mediterranean headquarters here to-day. This followed NATO's Defence Planning Committee's decision, reached in Brussels last week, to comply with Mr. Mintoff's request to withdraw these headquarters from the island. An official refused to comment, however, on reports that some families had packed ready to leave.

Our Foreign Staff adds: A NATO spokesman in Brussels last night denied a report that the organisation had decided to transfer its Malta headquarters to the island of Nisida in the Bay of Naples. No decision had been taken in this matter "so far," he said.